Daily Report

Latin America

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FBIS-LAT-95-210 *31 October 1995*

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Cuba

UN Delegate Protests 'Illegal' U.S. Radio, TV Broadcasts

PA3010150895 Havana Radio Havana Cuba in Spanish 1300 GMT 28 Oct 95

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Cuba has once again protested before the United Nations the illegal radio and television broadcasts that the United States beams regularly from its territory into Cuba. Edgardo Valdes, a Cuban delegate, raised the issue during the UN General Assembly's fourth main committee debates. Valdes said that Cuba is suffering from the imbalance in the information field that affects developing countries, in particular. He added that Cuba is also the target of radio and television attacks, which have been reported on more than one ocassion at the United Nations. The United States is openly challenging the basic norms of coexistence and violating international rights, ignoring the criticisms and warnings made by specialized organizations, he said.

Commentary on Castro's Visit to UN, Harlem, Bronx

PA3110025195 Havana Radio Rebelde Network in Spanish 1800 GMT 25 Oct 95

[Commentary by Orlando Contreras; from the "National Radio News" newscast]

[FBIS Translated Text] President Fidel Castro has concluded his visit to New York, where he attended a solemn session to commemorate the 50th anniversary of the United Nations. Several conclusions can be drawn from this visit.

The influence of Castro's interlocutors on the U.S. society during his visit, which concluded today, shows that Cuba's position elicits, first, respect, and then interest, sympathy, and support in various degrees. Second, Cuba's position shows that dialogue is much significant than the stubborn silence of positions of force, whose most grievous expression is the embargo.

Dialogue is not synonymous with coincidence, but is rather the civilized acceptance of the fact that in today's pluralist world it is possible, from different positions, to seek approaches that can serve the interests of both dialoguing sides. The reverse of dialogue is imposition by force, arrogant hegemony, and deep-seated haughtiness that will not listen to words but the empty reverberations thereof. It is to be expected that the rancid fundamentalist paranoia that affects certain sectors of the U.S. political life will not lead them to say that David Rockefeller is a militant communist and that CBS, CNN, and NBC networks survive thanks to Havana's gold, that (Mortimer Zuckerman) is the special agent 005, and that THE NEW YORK TIMES is GRANMA's edition for the United States.

The open rejection of the embargo and the open sympathy for Cuba were evident during Fidel's meeting with the African Americans in Harlem, and the Puerto Ricans and Latin Americans in Bronx. African Americans and Latin Americans, the two most discriminated against and abandoned ethnical and cultural groups in the American society, suffer the highest unemployment rates, are the less healthy, and have the least opportunities.

Several conclusions can be drawn from Fidel's historic appearance at the United Nations and the brief stay in New York that his visa permitted. To mention just one, I would say that Castro's dialogue with an ample number of interlocutors with evident representativeness contributed — and both sides deserve merit for this — to reveal in the United States how unfair and useless it is to maintain a policy of force against a neighboring country and people who only demand respect and equity. The formerly prosperous and loud-mouthed anti-Cuban industry of Miami indirectly experienced a new reduction in its store of hatred and lowly interests.

Raul Castro Meets Ukrainian Prime Minister

PA2810231195 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 22 Oct 95

[Report by Mario Rivera and Marta Moreno; from the "NTV" newscast]

[FBIS Translated Text] Army General Raul Castro, accompanied by other members of the party's Politburo and high-ranking officials of the state and government, met with Ukranian Prime Minister Yevhen Marchuk during a reception offered by Ukranian Ambassador Aleksandr Taranenko. Raul made statements to the accredited national and foreign media:

[Begin Castro recording] Our imperfect socialism continues to trust our people. If this were not the case, how do you think that we have been able to maintain the Cuban revolution 90 miles from imperialism, which tightens the bolts even more everyday, as was the case on 20 October, when they approved in principle the Helms-Burton law in the U.S. Senate, with the minor modifications of Article 3 that they eliminated?

How has the revolution been maintained? Because of the unity of the people, because of the prestige of the revolution's leaders, because of the courage of our people, although more than 50 percent of the population was born after the triumph of the revolution. Is that not correct?

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In other words, we will continue with socialism, which is still very imperfect. As President Castro said, no human work is perfect. We will make the modifications that are necessary, the reforms that are necessary, but we will never lose power. Our conflict with the United States did not start with the proclamation of the socialist nature of the revolution on 16 April 1961, a day after the bombings that preceded the Playa Giron invasion and one day before the invasion when the people fought for socialism.

It has been a long journey; that conflict did not start on that day. The conflict with U.S. imperialism started more than two centuries ago when they were expanding toward the west, when they stripped Mexico of 51 percent of its territory, when they intervened opportunistically in the Cuban-Spanish War [as heard] with the pretext of sending a battleship to protect U.S. citizens who were in Havana in 1898. This battleship exploded, but the explosion occurred inside and not outside it, and most of the officers were of course at a party on land. They used this pretext to intervene in Cuba after Cuba had been struggling for its independence for about 30 years.

There was a naval battle in Santiago de Cuba and a few ground battles, and peace was signed in Versailles between Spanish and U.S. citizens, and they agreed that Cubans should play no role. Lenin described this war as the first imperialist war; an imperialism that was emerging [passage indistinct] imposed a condition called the Platt Amendment, named after the senator who proposed it, granting it the right to intervene in Cuba whenever necessary.

They exercised this right on several occasions, and this led to the establishment of the U.S. Naval Base of Guantanamo that is located at the entrance of the road to Guantanamo. This was perpetual deal. And they paid us a rent of $2,500 per month; $2,500 is the monthly value of any New York apartment. I do not know why $4,000 is being paid now. We have never collected this rent since the triumph of the revolution, and we will recover this base, not through military means, because it would be destroyed, and we would not be able to use it. We will recover it through peaceful means.

In other words, that conflict, centuries ago...[pauses] we have always had to fight for our independence and sovereignty, and we might have many problems at present, but there are many world countries [passage indistinct] met with Ukrainian Prime Minister Marchuk and [word indistinct] said: We are very interested in all your experiences; good and bad ones. We are willing to receive all kinds of advice from sincere friends and to learn from their experiences. [end recording]

Meanwhile, the Ukrainian prime minister gave a brief statement to this newscast regarding trade relations being established between Cuba and Ukraine:

[Begin Ukrainian prime minister recording in Ukrainian with superimposed translation into Spanish] We have discussed issues of great interest for the two countries. We know that in Cuba there is a large number of Ukrainian-made tractors that need spare parts. Moreover, we have refineries that can process Cuban sugar, and we have fertilizer factories that could provide supplies to the sugarcane industry. On 14 and 15 November there will be an important meeting in Kiev to discuss these issues that pertain to the Cuban and Ukrainian economies. The outlook for trade between our countries is broad. [end recording]

Lage Reports 2.3-Percent GDP Growth Between Jan-Sep

PA2810203795 Havana PRENSA LATINA in Spanish 2125 GMT 24 Oct 95

[FBIS Translated Text] Havana, 24 Oct (PL) — Vice President Carlos Lage Davila today informed a large group of foreign businessmen that the Cuban economy maintained during the first nine months of this year a positive trend, with notable growth in key sectors.

In his address to a roundtable discussion organized by THE ECONOMIST magazine which is taking place in this capital, Lage revealed that the Gross Domestic Product (GDP) grew by 2.3 percent between January and September of 1995.

In addition, the vice president stressed that for the first time in the last six years, per capita GDP grew supported by the increase in some production sectors, like nickel (80.2 percent), petroleum extraction (22.2 percent), fishing (14 percent), the manufacturing industry (10.1 percent), and vegetables and greens, which rose by 24.2 percent.

These results, the secretary of the Council of Ministers Executive Committee commented, counteracted, to some degree, the decline in the sugarcane harvest and its effect on macroeconomic results.

Lage underscored that excluding the behavior of sugar production, the rest of the economy grew by 7 percent.

Approximately 240 senior executives and businessmen from the five continents are attending this third conference organized by THE ECONOMIST. They will discuss with Cuban officials the perspectives of the country and the possibilities of foreign investment, trade, and other businesses.

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It has been a long journey; that conflict did not start on that day. The conflict with U.S. imperialism started more than two centuries ago when they were expanding toward the west, when they stripped Mexico of 51 percent of its territory, when they intervened opportunistically in the Cuban-Spanish War [as heard] with the pretext of sending a battleship to protect U.S. citizens who were in Havana in 1898. This battleship exploded, but the explosion occurred inside and not outside it, and most of the officers were of course at a party on land. They used this pretext to intervene in Cuba after Cuba had been struggling for its independence for about 30 years.

There was a naval battle in Santiago de Cuba and a few ground battles, and peace was signed in Versailles between Spanish and U.S. citizens, and they agreed that Cubans should play no role. Lenin described this war as the first imperialist war; an imperialism that was emerging [passage indistinct] imposed a condition called the Platt Amendment, named after the senator who proposed it, granting it the right to intervene in Cuba whenever necessary.

They exercised this right on several occasions, and this led to the establishment of the U.S. Naval Base of Guantanamo that is located at the entrance of the road to Guantanamo. This was perpetual deal. And they paid us a rent of $2,500 per month; $2,500 is the monthly value of any New York apartment. I do not know why $4,000 is being paid now. We have never collected this rent since the triumph of the revolution, and we will recover this base, not through military means, because it would be destroyed, and we would not be able to use it. We will recover it through peaceful means.

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Lage Reports 2.3-Percent GDP Growth Between Jan-Sep

PA2810203795 Havana PRENSA LATINA in Spanish 2125 GMT 24 Oct 95

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Lage remarked that the nature of economic changes experienced in Cuba do not represent a transition, but rather an adaptation of the socialist system to a new reality. However, he considered these changes profound and comprehensive.

Among them Lage mentioned the decentralization of foreign trade, carried out currently by 148 national entities and over 200 joint ventures.

The high-ranking Cuban official stated that there are over 600 commercial firms represented in the country, 200 joint ventures in 34 sectors of the economy, with capital from 50 countries and accumulated investments totaling $2.1 billion.

Another example of growth occurred in the area of tourism, which went from 12,800 hotel rooms in 1989 to 25,500 higher quality facilities by the end of 1995, while the number of visitors went from 300,000 in 1989 to 700,000 this year.

Lage explained the provisions of the new Foreign Investment Law, which he termed a necessary and indispensable complement for Cuban development.

Labor Minister Cited on Cuts in Tourism Sector

PA3110025395 Mexico City NOTIMEX in Spanish 0010 GMT 28 Oct 95

[FBIS Translated Text] Havana, 29 Oct (NOTIMEX) — Salvador Valdes, Cuban Labor and Social Security minister, today asked tourism employees for their "understanding" in order to go ahead with the downsizing (dismissal) of personnel in that sector.

The cuts are a "fundamental factor" in restructuring the economy where tourism plays a leading role as a result of foreign investment, a point which "makes it necessary to work with 'strictly essential' personnel," Valdes said.

Valdes spoke on 28 October at the closing ceremony of the Constituent Congress of the National Union of Tourism Workers attended by 124 delegates from the entire country who elected the organization's national committee.

Rodolfo Jimenez Polanco was elected secretary general of the union, to which approximately 60,000 Cuban workers are affiliated.

Valdes said the personnel reduction will contribute to "lowering salaries and, therefore, production costs," adding that the lack of productive work "leads to labor indiscipline, which is inadmissible in the tourism sector."

Valdes urged the employees to save and to increase productivity in the sector and assured them the dismissals will be carried out "in a coherent, balanced and careful manner and always taking into consideration the union's opinion."

The surplus personnel will be handled by two government employment agencies in charge of seeking new job alternatives. Nevertheless, he warned that not all of them will be reassigned to their previous jobs.

Valdes added that a study of the situation of human resources in the provinces and municipalities is almost finished. This will allow a balance between the labor force and the true needs of the organizations and territories.

The meeting was presided over by Pedro Ross, secretary general of the Central Organization of Cuban Trade Unions, and Tourism Minister Osmani Cienfuegos, who called for "rescuing" what Cuba offers to international tourism.

Another question lively discussed was the crisis of supplies, particularly of selected fruits, which are not available or are of low quality in many places, making it necessary to import them from other countries. An example mentioned was salt, which is bought from Mexico at 35 cents per kilogram. It would cost only 10 cents in Cuba but is of very low quality and not suitable for consumption in first-rate hotels.

THE ECONOMIST Holds Roundtable on Cuban Market

PA2910005195 Havana PRENSA LATINA in Spanish 2244 GMT 24 Oct 95

[By Elsy Fors]

[FBIS Translated Text] Havana, 24 Oct, (PL) — Gareth Jenkins, editor of the London-based newsletter CUBA BUSINESS, has confirmed that the British publishing house THE ECONOMIST today began, behind closed doors, the largest roundtable ever held in the world.

The attendance of about 240 businessmen and experts on the Cuban economy gives an impression of the interest in learning about the process to reform and open the economy to foreign capital that is being implemented by the Cuban Government, Jenkins told PRENSA LATINA.

The most significant thing about the event, Cuban Vice President Carlos Lage emphasized to the news media following his opening speech this week, is that a far greater number of delegates are attending this time than the two previous occasions (in the seventies and 1994). About 140 delegates attended the last event.

We are very encouraged, Lage said, by the number and caliber of the delegates, considering the worldwide prestige of THE ECONOMIST.

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The points of greatest interest to the hosts will be deduced from the questions made by the delegates, Lage noted, including how they view foreign investment, where the difficulties lie, the shortcomings of that process, and how Cuban legislation may be changed to overcome those problems.

On the main current objective of the Cuban economy, the recovery of the sugar industry, Lage guaranteed that the decline in sugarcane production registered during the last three harvests will be countered by the 1995-96 campaign, because more sugarcane is available.

Although he declined to make any predictions, the Cuban vice president trusts that the 3.3 million tonnes produced during the 1994-95 campaign will be exceeded.

With respect to the effects of the measures to streamline the domestic economy, approved in mid-1994, Lage explained that liquidity in the hands of individuals has declined by 22 percent since then, a reduction totaling 2.670 billion pesos (equal to dollars at the official exchange) by the end of September 1995.

Lage warned that even though the peso exchange rate for dollars was approved at the rate of 25 pesos per dollar at the money exchange offices, this is an internal measure and does not alter the official on par exchange rate. We are far from having a convertible currency; we do not meet the conditions to even consider this step, he affirmed.

Osvaldo Martinez, president of the Parliament's economic commission and director of the World Economy Research Center, addressed the roundtable after Lage. The sessions will conclude tomorrow.

Minister Announces New Food Production Lines

PA3110034595 Havana Cuba Vision Network in Spanish 0100 GMT 28 Oct 95

[FBIS Translated Text] During a ceremony marking the 30th anniversary of the Food Industry Ministry, its leader, Minister Alejandro Roca announced that next year 25 lines of soy yogurt will be in operation.

The lines will have a volume of over 70,000 tons, or double the current production level. The quality of bread, wheat, and new productions of cream cheese made from soy milk, as well as foreign capital investments aimed to restore food productions for the population, are among the current priorities. [sentence as heard]

We must keep in mind that these workers have made a pledge to resistance in an industry which was dependent on imports and agricultural production.

Several founding workers and leaders were also recognized during the ceremony.

Haiti

Lassegue Confirms Request for Replacement in CEP

PA3110005695 Port-au-Prince Radio Metropole in French 1400 GMT 30 Oct 95

[FBIS Translated Text] The Provisional Electoral Council [CEP] secretary general, Marie-Laurence Jocelyn Lassegue, has confirmed that she asked the Senate president to replace her within the electoral institution.

Asked by the Haitian Press Agency [AHP] on the link between her departure from the CEP and her possible participation in the next ministerial cabinet, she explains that her decision was made long before it was question of change of government.

According to the AHP, Mrs. Lassegue has asserted that her departure is due to personal reasons. She has said that she is satisfied with the work carried out by the CEP within the scope of the latest elections. She added that she fully trusts the electoral institution for the realization of the forthcoming presidential elections.

CEP Working on Organization of Ballot

PA3110005895 Port-au-Prince Radio Metropole in French 1400 GMT 30 Oct 95

[Monitored in progress]

[FBIS Translated Text] ...an electoral timetable for the holding of the upcoming presidential elections next week, between now and the end of this week. The Provisional Electoral Council [CEP] is seriously working on the organization of this ballot according to the revelations of its President Pierre Michel Sajous. He pointed out that the CEP should soon make announcements to the nation about this ballot.

Mr. Sajous also insisted on the fact that a new president has to be sworn in on 7 February 1996, and did not want to give a date for the unfolding of the elections.

Last Thursday, President Aristide met with the CEP members at the National Palace to discuss the elections. The Haitian Press Agency says that on that occasion, the head of state assured the state of his support and that of the government for the realization of these elections. He also explained that it is the responsibility of the electoral institution to take the necessary measures to ensure that they carry out their task to a successful conclusion.

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Former Mayor Advocates Political Forum on Elections

PA3110005795 Port-au-Prince Radio Metropole in French 1400 GMT 30 Oct 95

[FBIS Translated Text] Evans Paul, the former Port-au-Prince mayor, advocates the holding of a big political forum on the presidential election issue.

According to the National Front for Change and Democracy [FNCD] official, such a summit should gather all political sectors in the country. Evans Paul warns the government against the holding of a presidential ballot with the participation of only one political family. The FNCD leader demands at the same time a balanced CEP [Permanent Electoral Council]. He says the conditions for the organization of the upcoming presidential ballot have not been met.

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Nation in 'Most Severe' Trade Conflict With U.S.

PA3110034795 Mexico City LA JORNADA in Spanish 26 Oct 95 p 52

[Report by Patricia Munoz Rios]

[FBIS Translated Text] Almost two years since the NAFTA came into force, Mexico and the United States are engulfed in the most severe commercial conflict of their history and there is no short-term solution on sight, because of the meticulous processes involving the "bilateral discussion panels" and other bodies while the millions of dollars paid by Mexican producers in the form of tariff "punishments" are multiplying.

Internal reports of the Commerce and Industrial Development Secretariat [Secofi] reveal that commercial conflicts regarding cement, tuna, avocados, ground transportation, among many others, are at a critical phase, and the cases of polystyrene and kitchen articles are regaining prominence.

They indicate that the United States has leveled few charges of dumping or unfair trade against Mexico, but they involve industries that have the largest volume of exports, and thus, the tariffs imposed represent high costs for the country.

Cement is a case in point. Until a settlement is reached, access of this Mexican product to the U.S. market is "punished" with high tariffs and this measure has even reduced foreign sales.

An administrative solution, however, is not expected in the short term, because it is engulfed in its most critical phase. Secofi reports indicate that as of the first week of October 1995 the United States had not appointed its fifth panelist, who was chosen through a draw, and the deadlines given to the companies to present their arguments have expired.

Thus, all participants agreed that the procedure "should be postponed." As soon as the panel is formally established and "this is expected to happen in the next days," and once Mexico approves the fifth panelist proposed by the United States, 60 days will be given to the companies, which are deemed to be juridically competent to participate in the case, to present their defense arguments.

It had been said that this case would be settled in 1995 but everything indicates that this will be extended until 1996 at the most, the official reports indicate.

As for the export of Mexican avocados to the U.S. market, in the five public audiences on the proposed regulations called APHIS it was scientifically and technically demonstrated that this Mexican product poses no hazards.

In this regard, the U.S. Department of Agriculture requested additional information to update its evaluation prior to issuing a definitive decision that is expected to favor Mexico, however, this cannot be guaranteed.

The Secofi reports pointed out that a final settlement is expected in 1996. If the project is approved, the U.S. Government will, at last, allow the importation of Hass avocados from Michoacan to 19 states of northwestern United States, including the District of Columbia, markets that have remained closed to Mexico, thus causing serious economic damage to the producers.

The tuna case, which is more than five years long, is also engulfed in an administrative mess, because although Mexico received a favorable ruling from the GATT and after excessive and costly procedures, it will still be long before this "punishment" is lifted from Mexican exports.

The reports indicate that through the Declaration of Panama on 4 October, the Latin American members of the Agreement of La Jolla, which includes the United States, five ecological groups, and the director of the Inter-American Commission for Tropical Tuna (CIAT) agreed with Mexico that the punishment inflicted on its exports was unfair. They even committed themselves to enforcing this agreement.

The United States also signed the Declaration of Panama, which constitutes the base for the drafting of a package of amendments to U.S. legislation that will be presented during a public audience before the House of Representatives on 27 October. This audience "will start" the process of approving this package.

Thus, the settlement of most dumping cases will be postponed until next year, according to Secofi reports.

Government Could Suspend Cement Talks

PA3110040095 Mexico City EL FINANCIERO in Spanish 30 Oct 95 p 18

[Article by Jose Luis Gaona]

[FBIS Translated Text] Mexican Government sources have assured that should the U.S. Government and Congress fail to eliminate commercial sanctions against Mexican cement or should they apply new retaliatory measures against national companies, the administration of Ernesto Zedillo would suspend all political-commercial negotiations with the Clinton administration and would apply compensatory taxes on U.S. products within NAFTA and the WTO.

They pointed out that the government of Bill Clinton committed itself to comply with the decision made by a cement panel and to fight against the protectionism of congressmen and cement companies established in

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Arizona, New Mexico, Texas, and California, which are 66 percent controlled by international companies.

In the past five years Mexican cement exports to the United States dropped from 29 to 6 percent while sales from Turkey and Denmark increased 868 and 267 percent, respectively.

Data from the national chambers of the cement industry revealed that Mexican companies lost sales of little more than $100 million in the past five years and had to spend about $15 million for lobbying in Washington.

Official sources estimated that it will not be until April 1996 when national companies will find out whether the U.S. Government will eliminate compensatory taxes (61 percent) leveled on Mexican cement.

National company representatives want a "political negotiation" leading to the elimination in the short term of the compensatory quotas and the return of nearly $80 million paid in compensatory taxes; the Federal Government, however, already negotiated with the Clinton administration and agreed to exhaust the resources specified in Chapter XIX of NAFTA and to wait until the next year.

"It will be a delayed negotiation, but we are confident that it will be definitive and that it will benefit Mexico," the official from the Secretariat of Commerce and Industrial Development stated. Regarding the possibility that the Departments of Justice and Commerce, respectively, apply commercial sanctions against the Mexican Cement Corporation [Cemex] for the alleged possession of a company in Cuba, the entity led by Lorenzo Zambrano has denied that version repeatedly.

Sources at the firm have said that the participation of Cemex in Cuba resulted from an invitation from the National Foreign Trade Bank of Mexico [Bancomext] to provide technical, operational, and commercial support to the cement company they formed with the government of the island. Its asset is a plant built by Fidel Castro in the 1970's.

Cemex maintains commercial contracts to export the surplus of the cement production generated on the island in the next 10 years and which may be repealed at the moment Cemex deems it appropriate, they commented.

However, they stressed, so far Cemex has not purchased any fixed assets in Cuba; its participation on the island resulted from a proposal by the Mexican Government.

Mexican Government officials stated that if the United States imposes any kind of sanction on cement exports, a negative sign would be sent in the commercial relationship between the two countries.

Mexico would not stand still and would react with the same force to penalize U.S. products.

But while the final resolution arrives, there are political and business groups pressuring the Clinton administration to eliminate tariff barriers against Mexican exports.

Petitions in this regard were made by the National Association of Home Construction and approximately 50 congressmen, both Republican and Democratic, who have observed a 22-percent increase in the price of cement in recent years.

Zedillo Predicts Strong Recovery, Signs Economic Alliance

PA3010170695 Mexico City NOTIMEX in Spanish 2327 GMT 29 Oct 95

[FBIS Translated Text] Mexico City, 29 Oct (NOTIMEX) — President Ernesto Zedillo predicted today that his country's economic recovery will prove "clear and strong" and that inflation will be curbed in 1996. Zedillo explained at the signing of an economic recovery pact between business, government, and labor officials that "this goal will be made public in the streets, homes, countryside, and factories." He added during his address at Los Pinos presidential residence: "We have not just hoped for better conditions but have worked to make better conditions a reality."

"These achievements were possible thanks to the efforts and solidarity of workers, peasants, employees, and businessmen. Thanks to the task we all performed this year, we can propose more encouraging goals — other than mere control of the crisis — for 1996," Zedillo said.

The document officially known as the "Alliance for the Promotion of Economic Development and Work" [Alianza por la Promocion del Desarrollo Economico y el Trabajo] states that the minimum wage will increase 10 percent on 4 December and another 10 percent in April 1996.

The president stressed that with the signing of this document, "the production sectors have taken a positive step toward developing the confidence necessary to increase the number of job openings once again." The Mexican president affirmed that the pact will provide fiscal incentives to create jobs, help salaries recover gradually, and reduce inflation, because, starting with the government, there is more moderation when it is time to modify prices. He said that this consensus will help drive interest rates down, strengthen the peso exchange rate, and allow for more resources to be devoted to social spending and infrastructural work without neglecting the discipline in public finances. President Zedillo explained

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that the pact aims to create opportunities for workers, generate interest in the Mexican countryside, and identify new prospects for the many businessmen who believe in Mexico. The chief of state maintained that in addition to good foundations, a good economic program, and good decisions, "we need spirit, trust, and resolve to make the country's production sector work" and to achieve economic recovery. He pointed out that a great step was taken on 29 October — one of many more that will be taken — to ensure that the Alliance will reach all the country's regions and communities, where all production circles and all resolves must be merged.

The president stressed after Labor Secretary Javier Bonilla Garcia delivered his address that with patriotism, unity, and confidence, workers, peasants, and the government will join their resolves to sign the Alliance for Economic Recovery. He said that he will urge the state governors to unite in their efforts and abilities to strengthen the new consensus.

Zedillo recognized that the crisis triggered the loss of jobs, the closure of businesses, and a fall in the standard of living, adding that unemployment would have been worse, inflation would have been out of control, and many more years of sacrifices would have been needed had it not been for the task that we all undertook.

Secretariat Officials Meet on Public Finances

PA3110025295 Mexico City LA JORNADA in Spanish 26 Oct 95 p 16

[Report by Elena Gallegos and Ismael Romero]

[FBIS Translated Excerpt] Officials of the Commerce and Industrial Development Secretariat (Secofi) have said before the Chamber of Deputies that restrictions on Mexican exports still persist despite the advantages brought about by the North American Free Trade Agreement (NAFTA). They have admitted there has been no progress in the deregulation process seeking to promote economic activity and the production sector. The officials added that milk imports, which are partly covered with fiscal support, will continue due to domestic production shortages.

At the eighth meeting to analyze the 1994 report on public finances, the Secofi officials also noted that direct foreign investment in Mexico, excluding the securities market, was only $2.5 billion during the first half of 1995. They have said their 1994 investment figures differ from those of the Bank of Mexico, adding that the 1994 figure added to that of 1995 could produce a "historic" figure.

A report on media consultation forums was also disclosed at the Chamber of Deputies. Deputy Jose Luis Torres said this issue had been overlooked for too long but for no longer, because the signing of NAFTA exposed the fact that Mexican legislation is inadequate for the new technologies and to ensure competition on equal terms.

Another reason to reopen this old debate deals with the role the media plays in electoral processes. He reaffirmed that any legislative draft should come from the media and that its goal should be to strengthen freedom of expression and the right to information.

During the analysis of the public finances report, deputies of the Commission on Programming, Budget, and Public Finances made various comments, particularly on the handling of subsidies.

Luis Antonio Godina, deputy of the PRI [Institutional Revolutionary Party], said subsidies are not mentioned in the 1994 report on public finances, adding that as for Conasupo [National Company for Basic Commodities], this concept is described as "materials, supplies, and general services." Godina stressed the need to make transfers more aboveboard and to call all subsidies by their name.

Jesus Flores Ayala, senior official at Secofi, noted the need to demand that the implementation of budgets be based on negotiated, justified, and well—founded priorities.

For over four hours, officials and legislators analyzed topics related to sectorial expenses. A total of 8.893 million new pesos were authorized, and 8.845 million new pesos were spent.

Ayala read to the deputies a report on budget implementation at Secofi, Conasupo, Liconsa, Diconsa, Boruconsa (warehouses), Cenam (meteorology), Impi (industrial property), Snim (market information), and Lanfi (industrial laboratories).

PRI Deputy Jorge Cejudo requested information on deregulation efforts. Eugenio Carreon, domestic commerce under secretary, answered with a "categorical no" when asked whether there has been progress in areas under his responsibility, and he also said the 1994 expenditure goals were not met. This is a task that will involve several administrations. The deregulatory efforts made in 1994 and throughout the regime of Carlos Salinas de Gortari were limited to the federal level and overlooked the states and municipalities, Cejudo said. [passage omitted]

Jose Luis Leyson, also a PRI member, expressed his concern about the "onslaught" of certain U.S. sectors against Mexican exports, particularly tomatoes. Jaime Zabludovsky, deputy secretary of international

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commercial negotiations, said that steps are being taken and that any violation of NAFTA will be duly reported.

Replying to a question about the lack of an aggressive customs policy, Raul Ramos Tercero, deputy secretary of industries, said the restriction on Mexican exports is a fact regardless of NAFTA. This, he said, makes it impossible to prevent a reduction in the investment capability because of measures affecting the export of national products.

He said the Mexican antidumping system is one of the most active in the world at present.

Meanwhile, Decio de Maria, deputy secretary of foreign trade, said that in view of the domestic demand for milk and the shortage of production, it will be necessary to import this product.

National consumption, he said, is 22 million liters daily, of which 25-30 percent is imported. While the price per ton of milk was approximately $700 in 1989, the current price is $2,200. The difference, he said, has been partly subsidized.

Plural Press

A recount of the various proposals made in 10 regional forums of public consultation on social communication was presented in the Green Hall of San Lazaro Palace. The members of that special commission also made public an agreement in which they committed themselves to continue their efforts to update laws pertaining to the media, "guaranteeing the right to information without hindering freedom of expression."

In the same agreement they expressed their determination to promote laws to improve and make more efficient the ways of coexistence for the better development of social communications in relation to the government, the media, and society, thus strengthening professionalism, responsibility, equity, honesty, competitiveness, reciprocity, and liberty.

During the forums, there were 646 lectures and 48 speeches, contained in 5,093 pages, including 2,908 proposals. Suggestions were received on the six topics debated, ranging from the need to guarantee access to information to the right to reply.

There were also proposals pertaining to the violation of privacy, the urgency to have the media give objective and truthful information and society having access to media property, presence in the media of political parties, particularly during electoral campaigns, and modifications to the Federal Laws on Radio and Television and Movie Industries.

The most outstanding proposals were on the need for the state to promote a more pluralist and democratic press, guaranteeing access to official sources, encouraging ethical values on the press, as well as introducing technological innovations within the globalization process.

Another proposal stressed the need to create a public position for the defense of readers in the face of abuses or errors in which magazines or newspapers, among other printed media, could incur.

There were also demands for revision of public expenses in advertisement and the creation of alternate television channels and radio stations for universities and communities. There was concern about the scarce promotion of cultural and national values.

The Information Was Distorted: Conapo [National Population Council]

Members of the Foreign Relations, Social Development, Population and Development, Citizens Participation, and Culture Commissions met with the Conapo director, Jose Gomez de Leon, at the San Lazaro Legislative Palace to review the conclusions of the 4th World Womens' Summit held in Beijing recently, which has caused much discomfort for right wing sectors.

Gomez de Leon made it very clear that the Mexican delegation never signed agreements to depenalize abortion: "The governmental policy on this point is very clear: Abortion cannot and will not be recognized as a family planning method."

He said reports that weddings between people of the same sex would be legalized are absurd. He insisted there was distortion, misinformation, and stories taken out of context of what happened at the summit in the PRC.

He said that a commitment has been made to strengthen the family and that Mexico's population policy is based on individual rights to decide how many children a person may want to have. He said, however, significant progress has been made, because the population growth rate has dropped down to 1.8. The average of children per woman is 2.5, and the number reaches five only in certain backward regions.

Initiatives Were Eliminated

Another commission that also held sessions to discuss pending topics was the justice commission, headed by Fernando Perez Noriega, deputy for the National Action Party [PAN]. Commission members discussed whether they should debate the 28 initiatives submitted in the previous legislatures. Because there was no quorum, the matter could not be resolved, but the PAN deputies

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insisted, and even Perez Noriega agreed that based on Article 48 of the bylaws, the initiatives ceased to exist when there was a change of legislature, and they will only be considered "bills."

According to the law, the commissions may review only "initiatives" and not "bills." Only if a deputy or groups of deputies submits a bill once again as an "initiative" will it be turned over to the commissions. That is when it will be debated.

According to Jorge Moreno Collado and Fernando Perez Noriega, legislative backlogs technically ceased to exist based on the modification made during the previous legislature.

The PRI deputy later rapidly listed the pending topics and said many have been superseded by legal reforms.

There are large numbers of initiatives regarding the Amparo Law, which will be reformed soon, it was announced.

There is only one pending initiative at the current legislature: The one submitted by PAN Deputy Francisco Peniche Bolio. It concerns the Federal District's Law on Notaries. It will be discarded, because it is not up to Congress to decide this; it will be up to the Assembly of Representatives of the Federal District to discuss it.

City Government, National Parties Endorse Reform

PA3110034695 Mexico City XEW Television Network in Spanish 0400 GMT 28 Oct 95

[From the "24 Hours" newscast — passages within quotation marks recorded]

[FBIS Translated Text] Political reform has begun in the world's largest city.

[Unidentified reporter] The Mexico City Government, the PRI [Institutional Revolutionary Party], the PAN [National Action Party], the PRD [Party of the Democratic Revolution], and the Cardenist Front for National Reconstruction Party signed the political agreement marking the beginning of the Mexico City political reform.

Government Secretary Emilio Chuayffet witnessed the signing of the document. The Mexican Green Ecologist Party [PVEM] refused to sign it, because it argued that it was excluded from the national political talks.

This political agreement marks the new beginning of the negotiations for a political reform, following the suspension of the talks that were held during the first half of the year. The agreement seeks to lay the foundations for the political reform. Two of its main goals are to let the people elect directly the federal district government chief and to expand the power of the Federal District Assembly of Representatives. Federal District Chief Oscar Espinosa said the following:

[Espinosa] "As far as the Mexico City government is concerned, we stress that our commitment is to make profound changes. We do not believe in double talk, hidden intentions, or the strategies of deception and simulation."

[Reporter] PRI's Roberto Campa said:

[Campa] "We are before the historical opportunity and commitment to fully vindicate the electoral rights of Mexico City residents."

[Reporter] This is what PAN's Gonzalo Altamirano pointed out:

[Altamirano] "This reform will be irreversible, and there really is the political resolve to solve the national and Mexico City problems that have adversely affected these talks."

[Reporter] PRD's Javier Gonzalez said the following:

[Gonzalez] "We want a deeply encouraging reform that will strengthen institutions and that, with everybody's participation, will be able to put aside the authoritarian methods that have triggered only corruption and hopelessness."

[Reporter] Francisco Gonzalez of the PT [Labor Party] stressed the following:

[Francisco Gonzalez] "In view of the overall crisis of the political system and its urgent need to change, we, the political parties, are compelled, now more than ever, to act and make proposals in a prudent, good faith, and high—minded fashion and to put aside meanness and sectarianism."

[Reporter] PVEM's Maria Estela Gonzalez said:

[Maria Gonzalez] "It is not compatible for us to participate in a partial reform, which in turn is part of a national reform. We may sign it if we notice that there is a real change and resolve for a true political reform."

[Reporter] The talks among the government and the political parties will start on 1 November.

Rights Group Declines Consultative Role in Chiapas Talks

PA3010153495 Mexico City NOTIMEX in Spanish 0230 GMT 27 Oct 95

[FBIS Translated Text] Mexico City, 28 Oct (NOTIMEX) — Mexico's National Human Rights Commission (CNDH) today declined an invitation to play a

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consultative role in peace talks between the government and the Zapatist National Liberation Army (EZLN). The CNDH pointed out in the communique that it issued on 26 October that as an ombudsman, it cannot [words indistinct] the negotiating parties in San Andres Larrainzar. EZLN members and Mexican Government officials invited CNDH President Jorge Madrazo Cuellar to participate in talks on Indian rights and culture several days ago. Madrazo thanked the parties for the invitation, saying that he will forward his opinions on the issues being discussed in the hopes that the parties will find them useful. These opinions will be made public. The communique added that the CNDH is convinced that Indian communities are most vulnerable to individual and collective human rights violations. He warned that it is imperative that the legal order and administrative practices be modified so that Mexico can establish a firmer foundation on which to resolve conflicts, shortages, and historical ethnic problems. Government and EZLN officials agreed at the sixth round of talks in September to hold talks on Indian rights and culture beginning on 18 October. The causes of the armed conflict in Chiapas that erupted on 1 January 1994 that is currently being negotiated will be reviewed during these talks.

Official Says Authorities Not To Arrest Illegal Aliens

PA3010230495 Mexico City NOTIMEX in Spanish 2300 GMT 27 Oct 95

[By Rafael Croda]

[FBIS Translated Text] Los Angeles, 27 Oct (NOTIMEX) — Today, Javier Trevino, Mexican foreign relations under secretary, ruled out the possibility of his country's authorities arresting fellow nationals who happen to be illegal aliens seeking to enter the United States.

Trevino told NOTIMEX that, "in Mexico, throughout the Mexican territory, the individual rights and the freedom to move for all citizens are fully respected and will be fully respected."

The Mexican under secretary maintained that "it is false" that his country is planning to arrest in its territory Mexican illegal aliens seeking to enter the United States, as certain politicians such as California Governor Pete Wilson have requested.

Visiting Los Angeles to attend a meeting by the Mexican and American Solidarity Foundation [previous four words received in English] (MASF), Trevino pointed out that Mexico and the United States must address the migration phenomenon in a bilateral fashion. [Passage indistinct] the migration issue from becoming politicized and that the Mexican and U.S. governments be able to continue constructively working in a bilateral fashion, the diplomat said.

He affirmed that, since February, Mexico and the United States created a Binational Migration Affairs Committee, the task of which is to conduct a major study on this phenomenon in order to understand its reasons and its effects on the two countries.

"The objective is to focus on the problem in a binational way, thus preventing unilateral measures. This study will constitute a pivotal point to make more general decisions," Trevino added.

The foreign under secretary explained that, in migration matters, the governments of the United States and his country have been able to "progress and establish a significant high-level communication."

He also pointed out that one of the issues in which Mexico is interested is that the human, civil, and labor rights of immigrants be respected in the United States.

"One of the priorities of the Mexican foreign secretariat is the protection of the rights of Mexicans wherever they are," Trevino stressed.

The diplomat denied that a likely proposal of double nationality in Mexico will represent an intervention in certain internal affairs of third countries, as U.S. anti-immigrant groups claim.

These groups maintain that it is possible that this double nationality project constitutes an intervention in U.S. internal affairs due to the amount of Mexicans who would be forced to become naturalized U.S. citizens.

"The concept the Mexican Congress will debate is the issue of not losing the Mexican nationality, thus preventing the loss of the Mexican nationality [as received]. Our Congress has the sovereign authority to approve this (likely) initiative," the under secretary affirmed.

Trevino, who will represent Mexican Foreign Secretary Jose Angel Gurria in the MASF meeting in Los Angeles, said that his country believes that the relations with the Mexican community living in the United States is a "priority."

The Mexican government official underscored that even the National Development Plan President Zedillo proposed contains a long chapter on a program to establish ties with the Mexican-U.S. community.

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Roundup of Economic Developments Through 30 Oct

PA3110024295

[FBIS Editorial Report] The following is a compilation of reports on Mexican economic developments monitored through 30 October.

Eduardo Fernandez, president of the National Banking and Securities Commission, has informed the deputies of the Senate's finance commission that banking problems have cost the country 14 billion new pesos, out of which more than half represents purely fiscal resources. It was also reported that out of the 2.1 million debtors, 1.1 million have already signed the credit restructure letter and that out of these 1.1 million, 900,000 are credit card debtors. Fernandez has said that out of the total overdue portfolio, which amounts to 450 billion new pesos, 110 billion new pesos, 25 percent, have already been restructured. (Mexico City LA JORNADA in Spanish 21 Oct 95 p 45)

Mexico is to import 23.4 percent more corn, 3.179 billion tons, than what was originally provided for under NAFTA. This amount is what is needed to complete domestic reserves of 5.748 billion tons at the beginning of the year. This includes a domestic production capacity of 17.12 billion tons, an additional importation of 163,100 tons of broken corn, and the country's consumption of 22.499 billion tons. In addition, this will leave 3.637 billion tons in the final inventory. There is authorization to import without tariff 3.180 billion tons, which is 23.4 percent above the original quota. Grain producers were not consulted, contrary to what Commerce and Industrial Development Secretary Heminio Blanco had promised. (Mexico City EL FINANCIERO in Spanish 23 Oct 95 p 41)

According to a 23 October, Mexico City-datelined report, the Altos Hornos de Mexico Iron and Steel Industry has reported profits of over $82 million so far this year as a result of "proper export strategies and greater production efficiency." The firm's report delivered to the Mexican Stock Exchange indicates sales have increased nearly 100 percent so far this year compared to 1994. Sales amounted to $448 million between January and September 1994 while these amounted to $667 million during the same lapse in 1995. During the last quarter, 630,000 tons were sold, which is 25.7 percent more than the 500,000 tons sold between July and September in 1994. (Mexico City NOTIMEX in Spanish 1943 GMT 23 Oct 95)

A 23 October, Campeche-datelined report states that Campeche producers obtained 84 certificates of origin between January and September to process over $3 million worth of exports. Germany and France are among the countries that purchased the most products. (Mexico City NOTIMEX in Spanish 1907 GMT 23 Oct 95)

Carlos M. Jarque, of the National Institute of Statistics, Geography, and Information Science, said during a news conference yesterday that 938,319 people in the country's urban areas lost their jobs from September of last year to September of this year. (Mexico City LA JORNADA in Spanish 23 Oct 95 pp 1, 50)

Pemex (Mexican Petroleum) has announced that production in (La Sonda) of Campeche State has been restored by 50 percent. Pemex had shut down its production there, set at 2 million barrels, because of Hurricane Roxanne. (Mexico City XEW Television Network in Spanish 0400 GMT 24 Oct 95)

According to Jorge Mazon Rubio, National Agricultural Council president, the agricultural balance of trade from January-August of this year registered a surplus of $1.588 billion. He added that this figure represents an increase from 35 percent to 40 percent. Mazon has said coffee, vegetable, and cotton exports have gone up so far this year. (Mexico City LA JORNADA in Spanish 24 Oct 95 p 50)

Mexican exports rose 33 percent from January-September of this year, states a 24 October, Mexico City-datelined report. Citing Herminio Blanco, commerce and industrial development secretary, the report adds that employment in the export sector rose 8 percent during the same period. (Mexico City NOTIMEX in Spanish 2057 GMT 24 Oct 95)

Net loans granted by the Bank of Mexico, Banxico, to commercial banks had amounted to 75.892 billion new pesos (N$) by late August 1995, N$53.912 billion of which corresponded to net loans and N$21.980 billion to finance the balance of the Savings Protection Banking Fund, Fobaproa. This balance compared to the December 1994 balance, N$90.762 billion, indicates a 16.39 percent decrease as a result of the regulation that has dwindled the movements of interbanking funds, forcing the banks not to have deficit balances in the current account they have in Banxico. The balance of net loans decreased by approximately N$12 billion between June-August due to the decrease in the overdraft of the banks' single accounts. In addition, the balance of the net loans Banxico had granted to the federal government by late August 1995 was -N$52.261 billion (as published). (Mexico City EL FINANCIERO in Spanish 24 Oct 95 p 7)

The creation of reserves for credit risks in the banking system continues to trigger a drop in profits, even though the amount of overdue loans has decreased. Serfin

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Bank recorded losses amounting to N$109 million as of September 1995, even though it substantially increased its assets. This drop is partly explained by the large increase in credit risk reserves, which represented 62.61 percent by September, by the 27 percent drop in the net interest margin, and by the 5 percent drop in nonfinancial revenues. Between June-September, Serfin's credit portfolio totaled N$71.861 billion, N$6.722 billion of which correspond to overdue loans.

Meanwhile, the securities market has severely punished the indexes of the Banacci and Banamex Groups despite the 62 percent improvement in their profits. The Imbursa Financial Group recorded profits accumulated during the first nine months of the year amounting to N$2.582 billion, a 205.3 percent increase compared to the amount of profits accumulated during the same period in 1994. (Mexico City EL FINANCIERO in Spanish 25 Oct 95 p 8)

Monterrey Steel Industries, Imsacero, will close the year with exports amounting to slightly over $250 million, which is 55 percent of the steel market's total sales. Meanwhile, La Moderna Company exports increased by more than 400 percent during the third quarter of 1995 compared to the same period a year ago, while its net profits increased by 42 percent during the first nine months of the year. (Mexico City EL FINANCIERO in Spanish 25 Oct 95 p 18)

Celanese Group, Inc. has announced its net sales totaled N$6.075 billion during the third quarter of 1995, a 75.91 percent increase compared to the same period in 1994. In addition, 41 percent of the sales were made abroad, and the rest was sold domestically. The company's accumulated profits amount to N$912 million so far in 1995, 279 percent more than in 1994. (Mexico City EL FINANCIERO in Spanish 25 Oct 95 p 19)

During the third quarter of the year, sales of the Mexican Telephone Company, Telmex, dropped by 8.67 percent and its net profits by 24.68 percent compared to the same period a year ago. Due to lower local consumption, a decrease in telephone bills and an increase in depreciation charges, Telmex sales amounted to N$29.60 billion. In addition, Telmex net profits went from N$10.25 billion in 1994 to N$7.72 billion so far in 1995. Furthermore, Telmex reported that the number of telephone lines increased by 280,724 in September, a 7.3 percent increase. The number of lines now totals 8,773,645. Domestic and international long distance calls increased by 8.5 and 17.2 percent, respectively. Telmex cellular telephone services increased by 20 percent. (Mexico City EL FINANCIERO in Spanish 25 Oct 95 p 19)

According to Banxico, Mexico's international reserves totaled $13.6 billion, $98 million less than last week. In addition, during the first half of October, the consumer price index increased by 1.1 percent compared to the second half of September. (Mexico City XEW Television Network in Spanish 0400 GMT 25 Oct 95)

Mexican Petroleum (Pemex) has reported it will have to cut the supply of crude to the international market by 14.2 million barrels this month due to damages to its ship loading installation caused by hurricane Roxanne in the state of Campeche. The measure represents $190 million in lost revenues for the government. Production in Campeche has since recovered by 75 percent, or the equivalent of 1.5 million barrels of crude a day. (Mexico City EL FINANCIERO 25 Oct 95 p 24)

Luis Jaime Lomelin, sales manager for the "Unidad Ganadera" meat packing company, has said the domestic meat processing industry has experienced an 80 percent increase in meat processing costs and stiff competition from U.S. and Canadian imports since the implementation of NAFTA. Meat packing companies nationwide are operating at between 25-30 percent of capacity, and the Bank of Mexico has reported that imports of processed meat products totaled $253.5 million while exports totaled $26.2 million between January and August 1995. (Mexico City EL FINANCIERO (ANALISIS Supplement) in Spanish 25 Oct 95 p A-20)

A 26 October, Mexico City-datelined report cites the Finance and Public Credit Secretariat as stating that the Mexican economy is indicating real signs of recovery, including reports of improved corporate utilities during the third quarter of 1995 and the recovery of the shares market, which has regained 53 percent of its value. (Mexico City NOTIMEX in Spanish 0914 GMT 26 Oct 95)

The National Institute of Statistics, Geography, and Information Science has reported that the construction industry's general production rate has fallen by 46 percent between January and August 1995. Official data indicate that 257,479 people were employed by the industry in August, which is almost half the number of people employed during the same period in 1994. The formal industry's production totaled 12.668 billion new pesos in August, making it the fourth month in a row that production remains practically stable. (Mexico City EL FINANCIERO in Spanish 26 Oct 95 p 22)

Up to the third quarter of this year, the sales of the Maseca Industrial Group amounted to 2.28 billion new pesos, practically last year's figure for the same period, due to the reduction in complementary revenues and to the increase in the price of supplies used by the

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producers of wheat and corn. Operating profits went from 309.29 million in 1994 to 364.3 million in 1995.

The report the Cydsa SA group has presented to the Mexican Stock Market indicates substantial progress during the first nine months of 1995. Net profits amounted to 303 million new pesos for this group. Operating profits were 365 percent above the 1994 figures. Sales for 1995 increased 51 percent over the sales during the first nine months of 1994.

Meanwhile, Vitro has reported profits of 993.5 million new pesos at the closing of the third quarter, approximately twice the 1994 profit figure. The Tribasa Group announced at the closing of the third quarter net accumulated sales of 1.26 billion new pesos, which represent a 60.37 percent drop compared to the same period last year.

Comercial America Insurance has presented to the Mexican Stock Market a report on the results of this firm's activities during the third quarter. The net profits during this quarter were for 286 million new pesos, a 63.9 percent increase over the third quarter of 1994. (Mexico City EL FINANCIERO in Spanish 26 Oct 95 pp 18, 19)

Francisco Patino, general director of Banorte Financial Group, has announced this group is interested in acquiring the assets of Cremi Bank and will wrap up the merge with Banco de Centro during the last quarter of this year. Patino has said the analysis for acquiring the Cremi Bank assets will begin next year. The group reported a 13 percent drop in profits at the end of September. (Mexico City EL FINANCIERO in Spanish 27 Oct 95 p 8)

Bank of Mexico Governor Miguel Mancera has delivered to the country's deputies the most recent report on the country's economic situation: The yearly drop in GNP is 5.7 percent, the drop in the economy's sum of capital is 30 percent, and consumption reduction is already 15 percent. (Mexico City LA JORNADA in Spanish 26 Oct 95 pp 1, 50)

The Finance and Public Credit Secretariat (SHCP) has confirmed that in 1996 "the country's economy will be recovering as a first step toward the vigorous and lasting growth we need." The SHCP added that the economic policy for 1996 will include clear strategies and specific measures for encouraging productive investment and the creation of employment while at the same time it will strengthen financial stability and reduce inflation. (Mexico City LA JORNADA in Spanish 27 Oct 95 p 52)

In a 27 October item datelined Monclova, Mexico, Altos Hornos de Mexico has reported it exported 819,000 tons of finished products of steel from January-September 1995. A spokesman added that during the same period, the company obtained a net profit of approximately $76.142 billion. (Mexico City NOTIMEX in Spanish 2102 GMT 27 Oct 95)

In a section of the newspaper called "At the End of the Third Quarter," Aerovias de Mexico Airlines has reported a 10.2 percent drop in sales with profits reaching 1,433,490,000 new pesos. Economic analysts have reported there is a drop in the use of airline services, yet an increase in long distance telephone calls.

Meanwhile, the Durango Industrial Group, Gidusa, has reported a recovery in profits and a 40 percent increase in sales during the same period as a result of the growth of exports and the recovery of the international price of kraft paper. Gidusa has announced that sales from January-September amounted to 1.713 billion new pesos.

The Puerto de Liverpool Department Store reported at the end of the third quarter accumulated losses in its profits of 79.14 billion new pesos, drop of 2.57 percent compared to the previous quarter. Another report adds that the Valle de Anahuac Bottling Company has reported a drop of 30.4 percent annual in its profits, which fell from 41.7 billion new pesos during the third quarter in 1994 to 29 billion new pesos during the same period in 1995.

Gruma, the leading cornmeal company in Mexico, has reported a 15.4 percent increase in its sales during the third quarter, which represents revenues amounting to 1.667 billion new pesos. The last report in this section says the Televisa Group reported a 10.95 percent drop in sales, that is, 1,724,120,000 new pesos, during the first nine months of the year. Televisa attributed this drop to the little activity there is in the various television departments, cable television, publications, the reduction of publicity and other business. (Mexico City EL FINANCIERO in Spanish 27 Oct 95 pp 18, 19)

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El Salvador

Guerrilla Group Declares War on 'Capitalists'

PA3010233895 San Salvador DIARIO LATINO in Spanish 26 Oct 95 p 3

[FBIS Translated Text] The Nationalist Guerrilla Forces: Free El Salvador [Las Fuerzas Guerrillas Nacionalistas: El Salvador Libre], a political-military group, yesterday declared, through a communique received by this editorial office, "a merciless war on the country's local and foreign capitalists."

The communique sent to the editor of DIARIO LATINO and other newspapers read: "The Nationalist Guerrilla Force of Free El Salvador, declares a merciless war on local and foreign capitalists, who are invading our fatherland and are destroying the few resources that we have and are exploiting our people in an inhumane manner."

According to the communique, the new guerrilla force in El Salvador "emerges as the only organized political-military option of the great impoverished masses, to fight against the ruthless attack of capitalism, which claims to be the only form of economic, political, and ideological thought in the world, consolidating itself in the developing countries of Latin American without meeting any resistance."

The communique affirmed that the economic program being pushed by the United States in the region, backed by the domestic capitalist-right groups, is a clear violation of national autonomy. This, according to the communique, is demonstrated by the following: "the investment of foreign capital to exploit cheap labor in Latin American countries, the privatization of the public services and the agro-industrial means of production, resulting in a greater concentration of wealth in the hands of a minority. [no closing quotation mark as received]

There is also the approval of political, economic, and legal amendments that favor the multinationals so they will not encounter obstacles to their development in the fatherland. The National Civilian Police's repressive actions clearly proves it is being subject to a militarization and utilization, becoming the capitalist system's strategic political and military structure, along with the economic globalization program sponsored by the homeland, thus consolidating the political and economic power of "mercantilist" right wing groups and international capitalism.

The communique states: Thus, nationalist revolutionary struggles attain validity now more than ever in underdeveloped countries all over the world. These struggles are based on the two principles: the struggle of classes and national oppression, "principles that give life and political military action to the great majorities' true nationalism. Their main goal is to rescue our historical political-cultural characteristics and attain national liberation.

In the end the communique issues an appeal to the workers, peasants, students, and intellectuals, urging them to organize themselves "to struggle against the ARENA [Nationalis. Republican Alliance] Government and other reformist pro-imperialist parties."

Honduras

President To Abolish Office of Armed Forces Chief

PA3010200295 Panama City ACAN in Spanish 1846 GMT 30 Oct 95

[FBIS Translated Text] Tegucigalpa, 30 Oct (ACAN-EFE) — Honduran President Carlos Roberto Reina reported today that the office of Armed Forces chief will be abolished and that the duties of that office will be reassigned to the defense minister, who has been a figurehead until now. Honduras is the only country in the Americas whose defense minister has no effective command, with a high-ranking officer heading the military. The Honduran president reported this significant development a day before the National Assembly is to elect the last Armed Forces chief. Three officers have been nominated by their colleagues to replace Division General Luis Alfonso Discua: Colonels Mario Hung Pacheco (Army) and Oscar Cervellon (Air Force) and Captain Bruno Fontana (Navy). The president stressed that the changes in the military are in line with a policy of "institutionalization, professionalization, and technical improvement [tecnificacion]" for the Armed Forces.

President Sends Police To Patrol Streets Due to Violence

PA3010233595 Mexico City NOTIMEX in Spanish 2104 GMT 30 Oct 95

[FBIS Translated Text] Tegucigalpa, 30 Oct (NOTIMEX) — Honduran President Carlos Roberto Reina announced today that, given the wave of violence that affects the citizens' safety, he will order the Police to patrol the streets and fight crime in a few days.

"We did not want to hastily bring out (the patrols) but it is high time we did this and it will be done soon," Reina told the media after bank robberies, the kidnapping of children, illegal executions, and other actions were reported in recent weeks.

Nevertheless, the president said that the phenomenon of violence is not exclusive to Honduras, "it happens all

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over the world;" and he mentioned that the kidnapping of persons is higher in Guatemala than in this country, but he gave no figures.

Reina also urged the police to act in accordance with the law because, he said: "Human rights organizations have recently charged the police with being too heavy-handed" when they commit abuses.

In the country, this month a boy was kidnapped, while last week a former peasant leader was murdered over a land dispute, and a human rights organization denounced the killing of six military intelligence officers.

Between Sunday and this Monday, Honduran police found four youths murdered in this capital.

In another incident occurred over the weekend, Manuel de Jesus Amador, bodyguard of Police Inspector General Colonel Alexander Hernandez, was seriously injured in an alleged attack.

Reina lamented the eviction of peasants in the northern part of the country, which last week resulted in the death of three peasants, and he called for the beginning of a dialogue with peasant leaders to prevent these incidents from occurring in Honduras.

The president condemned the pretense of transportation workers from San Pedro Sula, 250 km north of Tegucigalpa, of increasing the transportation fare. Nevertheless, the president expressed his willingness to talk to them.

San Pedro Sula transportation workers this Monday began an indefinite strike demanding that the fare go from $0.06 to $0.16, while the government implemented an emergency plan to provide the service partially.

Nicaragua

Report Views Smuggling of Illegal Aliens to U.S.

PA3110040195 Managua EL NUEVO DIARIO in Spanish 30 Oct 95 p 1C

[Report by Vladimir Lopez]

[FBIS Translated Text] "Only death can prevent me from reaching the United States, said Peruvian national Marcos Antonio Cruz Valle, who on Friday was under arrest at the Immigration facility in Managua.

[EL NUEVO DIARIO] Why don't you give it up?

[Cruz] "No, I will not go back to Peru. I sold everything I had to go to work and make money in the United States and if I don't die along the way, I am confident I will make it."

These statements by the Peruvian national are similar to those made by all illegal aliens crossing into Nicaraguan territory with the purpose of reaching the North American "paradise."

Marcos Antonio knows that he will soon go free because he has not committed any offense and no one will change his mind. Traffickers also know that and, since the illegal smuggling of illegal aliens is not an established crime in our country, they almost act freely.

Two Routes To Come To Managua

Immigration authorities stated that the smugglers use two routes to bring illegal aliens; one through San Andres, Corn Island, Bluefields, Rama, and Managua.

The other route to bring undocumented aliens is through Costa Rican territory, from various unprotected areas along the border.

According to our sources, those smuggling undocumented aliens are only interested in Chinese and Hindu citizens because they have economic backing.

The Asian undocumented aliens are the ones with greater chances of making it to New York, where they are headed, and because they are being awaited there.

South Americans, especially Peruvians and Ecuadorans, are the ones suffering the negative consequences, bad treatment from authorities, violations of their human rights. "These people travel without money and sometimes even without luggage," Commander Morales explained.

Broad Nicaraguan Network

EL NUEVO DIARIO had access to the list of illegal alien smugglers throughout Central America in possession of the Immigration and Foreign Affairs Department, from which we will mention only those that are Nicaraguans.

They are: Aurelio Duarte (Rivas); Linda Lucina Morales (Rivas); Sergio del Carmen Cerda, "El Musico" (Rivas); Alcides Morales (Somotillo); Pablo Javier Reyes (Leon); Julio Miranda (Managua); Juan Baca (Chinandega); Mercedes de los Angeles Palma Cuarezma (Managua); Perla Gloria Gutierrez de Lopez (Managua).

Other individuals involved in the smuggling of aliens are: Alcides Morales, Pablo Lopez Toruno, Francisco Bustos, Luis Amorettys, Antonio Aragon, Daniel Alberto Rojas, Jose Santos Zelaya Velasquez, Nestor Meza, Juan Paz, Felix Paz, Condelia Paz, Cristina Betanco, Antonio Diaz, Erwing Jose Bonilla Perez, Rafael Antonio Aguilar, Marcial Corrales, Guillermina Galeani, Juan Jose Baltodano Rizo, Reynaldo Rodriguez, Gustavo Arguello, Carlos Garcia, Fernando

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Salvador, Juan Ramon Tapia, Maria Ochoa, Carlos Hernandez, Maria de Jesus Aguirre Moya, Carlos Denis Aguirre, Eduardo Arias, Juan Baltodano, Odilio Fonseca, and Freddy Rizo.

Lodging, Travel Agency, etc.

As part of the broad range of traffickers or logistical support these people have in Nicaragua are the Carlos and El Dorado Lodges in Managua.

In Las Brisas, there are a series of lodges that in addition to being used by illegal aliens, are also used by drug traffickers, according to reports from authorities.

Among the travel agencies, which according to Immigrations, have dealt with undocumented aliens are: "Maritza" and "Tranvipasse."

The processing of immigration services for these two travel agencies was suspended.

However, authorities concluded that in spite of everything they can do, the activity continues to flourish because the aforementioned individuals are well aware of the legal loopholes in the Penal Code. They are aware they cannot be tried for smuggling illegal aliens because that activity is not considered a crime.

Lack of Funds Hampers Work To Curb Smuggling of Aliens

PA3010230795 Managua EL NUEVO DIARIO in Spanish 28 Oct 95 pp 1, 2

[Report by Vladimir Lopez]

[FBIS Translated Text] Nicaraguan authorities have declared themselves unable to curb the exaggerated increase of illegals that every day use our country as a transit point reportedly to go to the United States.

"We have plenty of information," stated Commander Ana Isabel Morales, deputy director of the Immigration and Aliens Directorate, "we know who the smugglers are, we know the routes they follow, how much they charge, and what places they seek to house these people."

She revealed that as a result of this year's struggle against the illicit traffic of human beings, 35 officers have been discharged for their involvement with the smugglers, and on two occasions the entire airport personnel have been changed.

She added that her office is without moral and economic support "because the Penal Code does not consider smuggling people an offense, and because we have no allocated resources even to arrest the illegals."

She cited the case of seven Peruvians who were being held at the directorate's installations. They were arrested in Honduras and returned to Nicaragua.

"We have placed them in the officers's dormitories, we give them the food meant for the officers. This entails expenditures that were not considered; this was not included in the budget," he said.

She noted that the mechanism to follow with regard to the Peruvians would be to send them home, but "we lack the resources to do it. We cannot bring them to trial because there is no offense. We contacted the Peruvian embassy, and the diplomats told us that they cannot do anything, and that they do not have money for that."

"They — the Peruvians — have to be released after being detained for 48 hours," she said.

Commander Morales confirmed the existence in Nicaragua of an international network devoted to smuggling people that carries over 200 foreigners a day.

"Out of those 200 foreigners crossing our territory every day, we capture 1 percent at the most," Commander Morales acknowledged.

This activity, according to Commander Morales, generates millions of dollars a year all over Central America. This money is withdrawn through international transferences or money orders.

A sizable portion of those millions of dollars come from Hong Kong and is moved through Western Union, an international company that makes money transfers all over the world.

Ana Isabel Morales noted that Yi Chung Wang, a Chinese citizen living in Hong Kong, is the person who deposits the sums of money Asian illegals need. The money is withdrawn in the branches the Western Union has in all the cities of the continent.

"Yi Chung Lang [as published] has a contact with another Chinese citizen living in New York," she added .

Morales affirmed that the name of the Chinese man living in New York is Ling Ching Wang, and his telephone number in the United States is (area code 917) 773-6962.

One has to explain that the transferences made through Western Union do not constitute an offense and is, therefore, a legal activity.

This situation has raised an alarm among the Central American governments, whose immigration chiefs met

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a few days ago in Panama with their U.S., Mexican, and Dominican Republic counterparts.

Recently, Angelina Ulloa, head of the General Directorate of Population and Immigration Policy of Honduras, said that this activity puts $7 billion into circulation a year.

The official noted that this business is so profitable that in 1984 she was offered $80,000 to handle 80 persons of Hindu origin and $300,000 to allow the entry of 332 Cuban families.

General Luis Alonso Discua Elvir, Honduran Armed Forces chief, is mentioned in Honduras as one of the main smugglers of illegals.

Oddly enough, one of Gen. Discua's sons was involved in Nicaragua in the smuggling of 20 Chinese citizens who were travelling illegally last year.

On that occasion, Nicaraguan immigration authorities decided to send back the Chinese, prompting General Discua's son to make an uproar at the Sandino airport.

Commander Morales said that the undocumented aliens most highly sought by the smugglers' network are citizens from mainland China and India, because they pay thousands of dollars to reach the United States.

"When we capture a Hindu or a Chinese," she said, "in less than 48 hours we get a group of lawyers accompanied by a Court of Appeals judge demanding the release of the undocumented alien."

Oddly, a large number of the amparo appeals shown by Commander Morales identify a group of lawyers working for the "Martin Luther King" law firm.

Lawyers Cristobal Cruz Gonzalez, Evero Orozco, and Guillermo Aviles stand out among the lawyers trying to obtain the release of the undocumented aliens — but only the Chinese ones.

PND President Resigns Post, Leaves Party

PA3110010095 Managua LA PRENSA in Spanish 26 Oct 95 pp 1, 16

[Report by Ariel Montoya]

[FBIS Translated Text] Guillermo Potoy Angulo has resigned from his post as president of the National Democratic Party (PND) due to "disagreements" with the main representative of this party, Deputy Alfredo Cesar.

Political sources have leaked that Potoy's resignation takes place amid the process of approving the Property Law, of which Cesar is one of the main proponents and Potoy, a strong critic.

"Due to disagreements and discrepancies that have taken place at the bosom of the PND and that were triggered by leaders who favor their personal interests more than the partisan interests, I have decided to resign from the post of president and from the PND altogether, Potoy said this morning when LA PRENSA interviewed him.

He also pointed out that he will continue to fight for his political ideals in favor of democracy, adding that "I will seek other battle fronts along with those who share my ideas."

Potoy gained notoriety when, from his post as comptroller general, confirmed the allegation made by Doctor Noel Vidaure Arguello as he gave details on a comptroller general's office report involving presidency officials in the blackmail of deputies.

This allegation cost him his post and his later expulsion from the Democratic Social Party (PSD). This expulsion was promoted by individuals favoring the executive branch.

Potoy began his political struggle in 1979, when the PSD was formed. In 1994, "the government took this party away from us by buying off certain party leaders," he pointed out.

Due to this situation, a large amount of PSD members withdrew from the party's ranks and joined the PND, which Cesar and a group of former socialist and social democratic individuals had created.

"I want to continue working for the poor, which, in the last 16 years, have gone from living in poverty to living in abject poverty," Potoy affirmed, adding that, based upon this premise, he, along with other former PSD members, joined the PND, from which he is now resigning also.

The former comptroller general explained that another of the reasons why he is withdrawing from the party is because he lost confidence in the PND; "when one finds out that things are going in another direction — that of personal gain — it is best to resign," he underscored.

LA PRENSA tried to contact Cesar, but it was impossible to locate him in his house or in his office.

Finally, Potoy said that he has had "political offers" to continue to work in favor of democracy; however, he explained that, for the time being, he prefers to observe the national political panorama without making commitments with any political party whatsoever.

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Panama

President's Letter Limits Comment on U.S. Bases Talks

PA3010183095 Panama City Circuito RPC Television in Spanish 2300 GMT 27 Oct 95

[Report by Alexander Calderon; from the "RPC Television News" Newscast]

[FBIS Translated Text] "RPC Television News" has gained access to a letter that President Ernesto Perez Balladares has circulated within the highest government circles that contains the following instructions: Only the president and Foreign Minister Gabriel Lewis Galindo can issue statements, make comments, grant interviews, and utter opinions on exploratory talks on the likely presence of U.S. military bases in Panama beyond the year 2000. It is being reported in the United States that an agreement between the Panamanian and U.S. Governments could be reached that would allow the military bases to remain 5-10 years beyond the year 2000. Although international affairs experts understand the president's reservations, they believe that there must be much more information on this issue to ensure that citizens will be better informed:

[Begin former Foreign Minister Jose Raul Mulino recording, identified by caption] We are all confused, apparently as a result of all this secrecy. The worst thing about it is that the confusion will cause the government to lose the Panamanian people's respect, which is so necessary to starting such a serious and complicated negotiating process with the U.S. Government. It seems like the process is not as important to the United States as it is to us. [end recording]

The exploratory talks on the likely permanence of U.S. military bases in Panama beyond the year 2000 will officially open on 30 November.

Nationalist Forum Calls on 'Patriots' To Reject U.S. Bases

PA3010183295 Panama City LA PRENSA in Spanish 29 Oct 95 p 5a

[By Jose Quintero De Leon]

[FBIS Translated Text] The Panamanian Nationalist Forum [Foro Nacionalista Panameno] (FoNaPa) called on all patriots yesterday not only to condemn the U.S. Government and the oligarchic Panamanian Government but also to demand that all negotiations on the prolonged presence of U.S. bases in Panama be suspended. FoNaPa says in its third communique, signed by Director Roberto N. Mendez, that an agreement on the prolonged presence of the bases not only would not be in the nation's interest but also would be unconstitutional. The communique denounces before the entire nation the government, its allies, and the U.S. Government for trying to impose an agreement that would allow those bases to remain beyond the year 2000. It also notes that it is no longer being argued that the bases will serve to fight drug trafficking — an argument they describe as "ridiculous and false" — but that international investors "supposedly" would prefer that some bases remain. FoNaPa cites ARI [Interoceanic Region Authority] Administrator Nicolas Ardito Barletta's remarks at a gathering hosted by the Solidarity Party and Richard Gordon, the Filipino who administers the former Subic Bay Naval Base who meddled in Panama's internal affairs. Guillermo Chapman, planning and economic policy minister, presented the same argument to THE WASHINGTON POST, which had reported a few days earlier that Panama is not only courting the U.S. Government on this issue but also trying to disguise its intentions. FoNaPa denounces the fact that polls continue to be rigged as part of the campaign in favor of the bases, including the latest CID-Gallup poll according to which nearly 90 percent of Panamanians want the bases to remain. "No one should be surprised, then, if tomorrow we are told that 100 percent of the population wants the bases to remain," FoNaPa says.

Roundup of Reaction to Renegotiation of U.S. Bases

PA3110005995

[FBIS Editorial Report] The following is a compilation of reports on media reaction to the U.S. base renegotiation issue monitored through 30 October.

An article by Ricardo Arias Calderon, former vice president and president of the Christian Democratic International, charges that the Panamanian Government is covering up its base negotiations with the United States. The article notes the varying reaction from Panamanian official sources on the issue, going from denial to accepting "negotiations were proposed to Panama." Arias Calderon's article states that the people are anxious about the future of the bases, reverted properties, and the Canal and instead of getting honest answers, government's actions are "creating mistrust" in others and in ourselves. The article concludes by asking the president to speak the truth to Panamanians about such important issue. (Panama City EL PANAMA AMERICA in Spanish 22 Oct 95 p 2A) 1

The issue of U.S. base renegotiation has attracted a great deal of interest in both the United States and Panama, in the face of the upcoming November exploratory talks. It is quite clear the United States will not pay one cent for the bases, that President Perez Balladares has not spoken with the truth, and that the United States has less interest to keep bases in Panama. In response to

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THE WASHINGTON POST report on the base issue, President Perez Balladares pledged to take steps before the U.S. negotiating team to conduct the negotiations openly. Panama is reportedly going to the "exploratory talks" with the agreement not to collect a rent from the U.S. for the base use, as stated by the foreign minister, who said: "Panama hopes to obtain economic benefits from the possible continuation of the U.S. military presence, which must not necessarily be expressed in the form of a rent." This report concludes by citing various U.S. paper reports on massive closing of bases in California and elsewhere around the world. (Panama City LA PRENSA in Spanish 23 Oct 95 p 6A)

According to a poll conducted by the firm "Dichter and Neira" for LA PRENSA, 69.4 percent of Panamanians are in favor of the base renegotiation with the United States. Panamanian businessmen have also expressed that the bases should be renegotiated because the permanence of U.S. troops "guarantees and supports" the arrival of new investments. Consulting firm Investigation and Development, Inc. (INDESA) reported that the withdrawal of the U.S. military will have an impact of "less than 2 percent" on the GDP. Stock Market President Roberto Brenes concluded that Panama may obtain more benefits from the reverted areas by using them for industrial, commercial, and maritime development. (Panama City LA PRENSA in Spanish 23 Oct 95 p 33A)

LA ESTRELLA DE PANAMA editorial notes the government is handling the base renegotiation issue with a great deal of secrecy. The editorial highlights that government officials become annoyed when asked about the issue. LA ESTRELLA DE PANAMA stresses that the government's fault regarding this issue has been its lack of transparency. The editorial concludes by urging government officials to make negotiating documents or conversations public to eliminate the doubt from the minds of Panamanians. (Panama City LA ESTRELLA DE PANAMA in Spanish 23 Oct 95 p1)

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Argentina

Reportage on Attack on Iranian, Other Terrorist Incidents

Tehran Asks Government To 'Speed Up'

PY3010155895 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1047 GMT 28 Oct 95

[FBIS Translated Excerpt] Buenos Aires, 28 Oct (NA) — The Iranian ambassador to Uruguay, 'Ali Sarmadi-Rad, has asked the Argentine justice department "to speed up" the investigation into the confusing attack on Iranian Charge d'Affaires Hassan 'Ali Rajabi Yazdi. Authorities of the hospital where Yazdi is being treated said the Iranian diplomat may leave the hospital early next week.

Sarmadi-Rad became the highest Iranian authority in the country after the attack. He said he is "satisfied" with the way Argentine authorities are handling the situation, although "there is a need to deal with the investigation more seriously."

"More seriously means to act more rapidly to find some connection and thus advance in the investigation," the diplomat said.

Sarmadi-Rad dismissed Argentine Government and justice department doubts with respect to the motive of the attack on Yazdi on 21 October, insisting that it was "terrorism."

Sarmadi-Rad said that "as the days pass," his country is "more and more convinced" that the attack "could not have been anything other than terrorism," a position sustained by Iran since the attack.

Yazdi was attacked in the Belgrano district on 21 October. His attacker shot him in the chest after struggling with him while he was in his car. The person then fled the scene on a powerful motorcycle.

Despite Sarmadi-Rad's categorical remarks, Vice President Carlos Ruckauf said yesterday that "it is clearly proven" that the person who attacked the Iranian charge d'affaires "was not a professional killer; otherwise, he would have shot him in the head and not in the chest."

Ruckauf said that the way he sees the attack on 21 October is that "the person approached the car of the diplomat, stood in front of the window, and shot him in the chest after telling him something. Police have not been able to determine, so far, whether there was any struggle before the shooting."

"A murderer would have shot him in the head; it is much more efficient. That is where an assassin would have shot Yazdi if he wanted to kill him, instead of pointing at the chest, because ribs sometimes deflect bullets such as the ones used on this occasion," Ruckauf said.

The vice president, however, did not want to define the incident as a common crime because the justice department is still investigating. He stressed, however, that "we cannot talk about a professional killer. Therefore, we cannot in any way deduce what the Iranian ambassador said in Uruguay when he suggested that we had to investigate the Jewish community." [passage omitted]

No 'Outside Help' Needed

PY3110014795 Buenos Aires TELAM in Spanish 2054 GMT 30 Oct 95

[FBIS Translated Text] Buenos Aires, 30 Oct (TELAM) — President Carlos Menem stated today that an investigation is under way to determine whether the attack on the Iranian diplomat was a terrorist attack or just a common crime, and he indicated that Argentina is in a position to carry out the investigation without outside help.

"It is not yet known whether it was a terrorist attack or just common crime; as soon as we determine the nature of the crime we will see what steps we will follow, but in the meantime we are investigating and we are in a position to do so without outside help," he said.

Menem thus answered, in his remarks in the Press Room at Government House, a question about Iran's proposal to send a group of officials to the country to cooperate with Argentine authorities. Regarding the possibility of receiving those officials if they travel to Argentina, the president said that "we will have to see which officials come, and their rank."

"Anyway, it is not the president who assumes commitments regarding interviews; the Foreign Ministry makes the decision on whether the person is granted an interview," he added.

Regarding ties with Iran, Menem said that diplomatic relations "are currently at a low level, but they exist. In any event, Iran does not have an ambassador here, nor do we have an ambassador in Iran."

Warrant Issued in AMIA Case

PY3010184795 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1558 GMT 30 Oct 95

[FBIS Translated Excerpt] Gualeguaychu, 30 Oct (NA) — Judge Juan Jose Galeano has issued an arrest warrant to detain Carlos Irigoytia in this city for his alleged links with the detainees involved in the terrorist attack against the AMIA [Argentine-Israeli Mutual Association] headquarters.

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After the warrant was issued by Galeano, the General Sarmiento Investigations Brigade and the Gualeguaychu police and border police carried out a joint operation and managed to detain Irigoytia in his house at 370 Roca Street.

In addition to Irigoytia's arrest, experts thoroughly inspected a white Renault Traffic van similar to the one used in the attack against the AMIA headquarters that was left abandoned a few days ago at 938 Roca Street, at an undetermined time. [passage omitted]

AMIA Case Suspect Arrested

PY3110010295 Buenos Aires TELAM in Spanish 2338 GMT 30 Oct 95

[FBIS Translated Text] Buenos Aires, 30 Oct (TELAM) — Court and police sources have revealed that a man was arrested today in the La Matanza District of Buenos Aires Province due to his alleged involvement in the sale of the Traffic van used in the attack against the AMIA [Argentine-Israeli Mutual Association] headquarters.

The arrested person has been identified as Roberto Valdez, 34, who had some documents confiscated that presumably link him to Carlos Telleldin and Alejandro Monjo, who are under arrest because they have been linked to the sale of the van used in the attack.

Federal Judge Juan Jose Galeano, who is in charge of the case, ordered the release of Rodolfo Setau and Antonio Quiroga due to lack of evidence. These two men had been arrested for the same reason.

Valdez was arrested at his home in La Matanza District of Buenos Aires Province by members of the Investigative Brigade of General Sarmiento, under the command of Police Superintendent Angel Salguero.

Suspected of being part of the "Telleldin connection," Valdez is being held at brigade headquarters. On 31 October he will be taken before Judge Galeano, who will hear his testimony.

Due to a lack of incriminating evidence, the judge decided today to release two of the nine persons arrested due to their suspected involvement with the terrorist attack, which killed 86 and injured another 100.

Setau, who was arrested on 19 October, worked as an agent for Alejandro Automotores enterprise, as did Quiroga, who was suspected of being Monjo's direct link to Telleldin.

Galeano still has to make a decision about Monjo's partner, Daniel Melli, and Jorge Delacourt, Pablo Ibanez, and Edgardo Gema, who are still under arrest.

'Terrorist' Arrested in Mexico

PY3010160195 Buenos Aires TELAM in Spanish 0033 GMT 30 Oct 95

[FBIS Translated Text] Buenos Aires, 29 Oct (TELAM) — The Secretariat for State Intelligence (SIDE) announced tonight that terrorist Enrique Gorriaran Merlo was expelled from Mexico and placed at the disposal of Argentine judicial authorities.

The security organization said that Mexican officials captured Gorriaran Merlo in Mexico City yesterday. Argentine intelligence officials had located him in the Federal District.

SIDE issued a communique tonight that states the following:

"On 28 October 1995 Mexican authorities arrested terrorist Enrique Gorriaran Merlo, head of the bloody attack on La Tablada Regiment and a member of the ERP [People's Revolutionary Army] and the MTP [All for the Fatherland Movement].

"The fugitive was located after strenuous intelligence work. SIDE officials informed Mexican authorities about the whereabouts of the subversive, who was finally found in Mexico City, Federal District.

"The Mexican Government has decided to expel him and transfer him to our national territory. In consequence, he will be placed at the disposal of the Argentine court that had issued an international warrant for his arrest."

[TELAM in Spanish at 0229 GMT on 30 October 1995, in a followup report, notes that "terrorist Enrique Gorriaran Merlo, guarded by Interpol, arrived in the country tonight. He is being detained at the Campo de Mayo Borders Police area, a SIDE source said.

["The source told TELAM that Gorriaran Merlo passed the medical checkup satisfactorily and was then transferred to Campo de Mayo, where a group of Lebanese extradited from Paraguay were lodged a few weeks ago."]

Menem Comments on Arrest

PY3010181795 Buenos Aires TELAM in Spanish 1132 GMT 30 Oct 95

[FBIS Translated Text] Buenos Aires, 30 Oct (TELAM) — President Carlos Menem today applauded the operation that ended with the capture of terrorist Enrique Gorriaran Merlo. Merlo was one of terrorists responsible for the bloody takeover of La Tablada's 3d Infantry Regiment in 1989. The president said the capture was a victory for the government and security organizations.

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"It is a victory for this administration, the Federal Police, the SIDE [Secretariat for State Intelligence], and all security organizations," Menem told Radio America, referring to the capture of the former leader of the subversive group People's Revolutionary Army (ERP) and the All for the Fatherland Movement (MTP).

Menem said the key element in Gorriaran Merlo's capture was that the search operation was kept "a well-guarded secret" at high government levels, and the fact that details of the plan did not leak to the public until the terrorist arrived in the country."

"We have been following Gorriaran Merlo's steps for several years. He is an international terrorist. I gave precise instructions to try to find him," Menem said.

"We knew that (Gorriaran Merlo) traveled through Central America and South America. SIDE agents were on the lookout until we received news that he had been traveling between Nicaragua, Cuba, and Mexico, where he was arrested," Menem said.

"When the foreign minister (Guido Di Tella) was in New York, he talked with the Mexican foreign minister and conveyed to him our concern. The rest is known already," the president said.

Menem said that "Mexican authorities arrested him on Saturday. I was in La Rioja, but I returned to the capital immediately after I learned the news."

"We followed the Mexican operation up until very late at night on 28 October. It was a joint Argentine-Mexican operation. Some 60 SIDE agents were in Mexico working on the issue," the president revealed.

Menem said Gorriaran Merlo arrived "at 2200 last night" aboard a special flight "that brought him from Mexico City to El Palomar, where he was arrested. He is being detained at a Borders Police premise (at Campo de Mayo). Now he must face criminal charges in court."

The head of state said the operation to capture the terrorist was a "well-guarded" secret, adding that "very few people knew" what was going on.

"I hinted at something regarding the subject during the last cabinet meeting, but fortunately no one mentioned anything, and the operation was successful. Secrecy is essential in this type of operation," Menem stressed.

Menem concluded by saying that "what is important is that (Gorriaran Merlo) is now in good hands. He will have to answer for several counts of murder, many attacks, and much damage in Argentina and other regional countries."

Cabinet Chief on Counter-Terrorism

PY3010232995 Buenos Aires TELAM in Spanish 1738 GMT 30 Oct 95

[FBIS Translated Text] Buenos Aires, 30 Oct (TELAM) — Cabinet chief Eduardo Bauza said today that the arrest of Enrique Gorriaran Merlo, former leader of the ERP [People's Revolutionary Army] and the MTP [All for the Fatherland Movement], marks Argentina's renewed commitment in its fight against international terrorism.

The arrest of Gorriaran Merlo "is a victory for our country's perseverance and commitment to the fight against international terrorism," Bauza emphasized. He acknowledged that "it was not easy to find him," and he thanked the Mexican authorities because "his expulsion made it easy for Argentine police to take charge of him and bring him back to the country."

Bauza chatted with the media after participating in the main ceremony for Argentine River Police Day in Costanera Sur [in Buenos Aires].

The cabinet chief avoided mentioning the way in which Gorriaran Merlo's arrest was made, as "it is something that the intelligence and security organizations must explain." "It is an issue that has been followed very cautiously and in secrecy for six years," he said.

He reaffirmed the government's commitment to combating international terrorism, and he stressed that "Argentina has not folded its arms; it is alert in this fight, which affects many countries in the world."

Bauza outlined the differences between the terrorist Gorriaran Merlo and Retired General Antonio Bussi, who took over as governor of Tucuman Province on 29 October. "Bussi is a former military man who has run in several provincial elections; the people voted for him, and if the people elected him then it is only right to acknowledge him," Bauza said. He recalled that Gorriaran Merlo was "a fugitive from justice."

He was also asked about the attack against the Iranian charge d'affaires. Bauza stated that the investigation is continuing and predicted that "there will be results shortly."

Tighter Security After Jihad Threat

PY3010233495 Buenos Aires TELAM in Spanish 1831 GMT 30 Oct 95

[FBIS Translated Text] Buenos Aires, 30 Oct (TELAM) — President Carlos Menem has ordered all national security organizations to adopt measures to prevent any possible attacks by the Islamic Jihad.

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"I have ordered security organizations to increase control measures in any locations that could possibly be targeted for attack by these fundamentalists who are threatening the world," Menem said during a news conference today at Government House. The Islamic Jihad issued a threat following the murder of Fati al-Shaqaqi, a leader in that organization, on 26 October on the island of Malta.

Menem made it clear that the order was issued to security forces but not the Armed Forces. Answering questions from journalists, he denied that Argentina could be considered one of the key countries for eventual terrorist attacks.

"No, no, Argentina is not in that type of a position. Regrettably, we have had two attacks here (the Israeli Embassy in 1992 and the AMIA [Argentine-Israeli Mutual Association] in 1994), but the other attacks have taken place in other locations," Menem said, citing the recent attacks in Paris and Algeria.

Menem Views U.S. Tour, Talks With UK's Major

PY3010165395 Buenos Aires TELAM in Spanish 2020 GMT 28 Oct 95

[FBIS Translated Text] Anillaco, 28 Oct (TELAM) — President Carlos Menem today criticized the coverage of his U.S. tour by certain Argentine media sources, and posed the question of how the government could conduct a media campaign against itself.

In response to a question, which he described as "tactless," Menem angrily asked: "How could the government conduct a media campaign against itself, and against the president himself?"

During a news conference, Menem told the journalists: "Journalists do not bother me. The media never had as much freedom as they have now. You do not bother me. This is why I am here willing to respond to any questions you may want to raise."

The president expressed the hope that there would not be "any type of obstacle for the media." He added: "During these past six years, they said many things about me. They even meddled in my private life. And, when things became very serious, I went to the courts. I have filed five misdemeanor lawsuits, and been unable to secure a court ruling."

Asked about the remarks that [renowned journalist] Gerardo Sofovich had made on government issues, Menem noted: "He is a successful radio and television journalist, but does not have any type of duty in the national government."

During the news conference, the president also reviewed the results of his U.S. tour, especially his meeting with UK Prime Minister John Major.

In this regard, the president confirmed that his U.S. tour "was a complete success, as successful as our Asian tour or perhaps even more successful." He said his meeting with Major "was very positive for the two countries, enhancing our relations with the United Kingdom."

Menem noted that his planned visit to the United Kingdom next year "would be scheduled by the two foreign ministries." He said: "We shall see when I will visit the United Kingdom and when the UK prime minister can visit Argentina."

Menem announced that "the UK finance minister will visit us next week." He described this visit as "the most important visit of recent times."

Ukrainian President Departs for Chile 29 Oct

PY3010134395 Buenos Aires TELAM in Spanish 1848 GMT 29 Oct 95

[FBIS Translated Excerpt] Buenos Aires, 29 Oct (TELAM) — Ukrainian President Leonid Kuchma ended his visit to our country today. During his visit, he met his Argentine counterpart, Carlos Menem, and signed agreements on economic cooperation and bilateral trade.

Kuchma departed at 1500 on 29 October from the Ezeiza International Airport for Santiago de Chile, the next leg of his South American tour.

During his visit to Argentina, the Ukrainian president signed an agreement on economic and trade cooperation, a declaration on interest in space research exchange, and an agreement on the removal of the visa requirement for diplomatic and official passports.

Kuchma emphasized the structural changes in our country, prompted by President Menem, and expressed appreciation for the Argentine president's support for the Ukraine during the process that ended with the Ukraine's independence. [passage omitted]

Ministers Review Common Car Export System

PY3010172695 Buenos Aires TELAM in Spanish 0123 GMT 28 Oct 95

[FBIS Translated Text] Buenos Aires, 27 Oct (TELAM) — During a meeting with Brazilian Planning Minister Jose Serra, Economy Minister Domingo Cavallo today resumed the talks to establish a common car export system for Argentina and Brazil.

The two ministers met for nearly one hour tonight at the Economy Ministry. They agreed that it is necessary

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to conclude the project involving a common car export system before the end of the year.

During their meeting, they also reviewed — although superficially, given the time frame — the status of the free trade zones in Manaus and Tierra del Fuego. The two ministers also raised the possibility of holding another meeting in November.

Industry Secretary Carlos Magarinos and Jorge Campbell, international economic relations secretary, also participated in the meeting.

Serra arrived in Argentina at the head of an official delegation that also includes Public Administration Minister Luiz Carlos Bresser Pereira and Gustavo Loyola, Brazilian Central Bank president.

Ministers Leave For Brazil To Review Security Issue

PY3010172895 Buenos Aires TELAM in Spanish 2156 GMT 28 Oct 95

[FBIS Translated Excerpt] Buenos Aires, 28 Oct (TELAM) — Government sources have reported that Defense Minister Oscar Camilion and Foreign Minister Guido Di Tella today left for Sao Paulo to review with their Brazilian counterparts a regional strategy to guarantee border security.

Foreign Ministry sources have emphasized that, during these talks, Argentina and Brazil would advance on issues involving border security and nuclear and space cooperation. They would also initiate contacts about the future reorganization of the UN Security Council.

Di Tella and Camilion will meet on 28 and 29 October with Brazilian Foreign Minister Luiz Felipe Lampreia and Rolando Motta Sardenberg, the Itamaraty (Foreign Ministry) strategic affairs secretary, whose duties are similar to those of Camilion. [passage omitted]

Economy Surpasses IMF Goal for Third Quarter

PY3010181395 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0058 GMT 28 Oct 95

[FBIS Translated Text] Buenos Aires, 27 Oct (NA) — Finance Secretary Ricardo Gutierrez announced tonight that Argentina exceeded the fiscal goal set with the IMF for the third quarter by $260.8 million.

Budget Under Secretary Marcos Makon was accompanying Gutierrez when he made the announcement. Gutierrez said that in the third quarter the country had a "cash deficit of 1.3041 billion pesos, while the goal agreed upon with the IMF acknowledged or contemplated a deficit of 1.5649 billion pesos."

Gutierrez held a news conference to announce that this result will allow the treasury to close the year with a deficit that will be 234.5 million pesos less than the 2.4 billion pesos that was agreed upon with the multilateral credit organization.

The figure mentioned above represents the accumulated excess for the first three quarters of the year because the treasury exceeded IMF goals by 26.3 million pesos in the first half of the year.

The difference will give the government some room to maneuver during the last months of the year.

Makon said fiscal collection improved "thanks to the fact that some companies cancelled their customs and tax debts with the treasury with bocons [funding bonds]."

Payments made in this manner totaled 288 million pesos, including 142 million pesos made by YPF [Government Oil Deposits], Makon said, adding that these payments "have nothing to do with the moratorium."

Revenues during the third quarter totaled 35.243 billion pesos while spending totaled 34.9996 billion pesos. These amounts do not include the proceeds from privatizations.

The sale of public assets provided 255.9 million pesos to the treasury during the third quarter.

According to IMF-government goals, public companies are allowed a deficit of up to 9.1 million pesos. However, so far they have obtained a surplus of 61.6 million pesos thanks to treasury contributions.

Makon forecast that collections pertaining to the Personal Assets Tax will increase by 244 percent in 1966.

Brazil

Article Views New Foreign Policy Under Itamaraty

PY3110010895 Sao Paulo ISTOE in Portuguese 18 Oct 95 pp 22-24

[Article by Eumano Silva and Marco Damiani]

[FBIS Translated Text] In the late 1970's it used to be said that, instead of the traditional dark suit and discreet tie, appropriate attire for a Brazilian diplomat was a typically extravagant Nigerian garment. There was a good reason for the joke. Under Foreign Minister Antonio Francisco Azeredo da Silveira (1974-1979), the ministry opened embassies in all African capitals. Brazil also implemented — intensively — its Third World foreign policy, clashed with U.S. positions many times, signed a nuclear accord with Germany under general

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international distrust, and kept its most bothersome neighbor, Argentina, under strict surveillance.

All the agitation of Foreign Minister Silveirinha's days seemed to have been buried. Lately, however, a real earthquake has been shaking the Itamaraty structure. It has resurrected the aggressiveness of Brazil's foreign policy and corrected its course, tuning it to focus on the wealthy countries as the center of its foreign policy, instead of the poor countries of the 1970's policy. Itamaraty's policy will put Brazil back in the foreign field. Foreign Minister Luiz Felipe Lampreia has said: "Nowadays, Brazil has the ability to move on the international stage as it probably never has in the past."

President Fernando Henrique Cardoso, the main coordinator of this new foreign policy, was able to taste the first fruits of this move last week. Brazil was accepted, with applause, into the MTCR (Missile Technology Control Regime) in Bonn, Germany, on 10 October. The country has thus became a member of the club of countries that can manufacture dual-use technology — civilian and military — such as rockets.

In addition to having access to new technology, Brazil can open the doors of the Alcantara missile base in Maranhao to interested countries. "Alcantara is the best site in the world for those who want to station a satellite near the equator," Strategic Affairs Secretary Ronaldo Sardenberg pointed out. "The Americans have already shown great interest and other countries will probably contact us." This will represent cash for Brazil. An Alcantara launch of a missile carrying a satellite will probably cost interested parties a mere $15 million.

President Fernando Henrique Cardoso sees other advantages in joining the MTCR. "Several issues that were kept secret can now be openly discussed with other countries. This will make our technology advance quickly," President Cardoso said at the end of a dinner he hosted at Itamaraty on 16 October for Vietnamese President Le Duc Anh.

Last week in Washington, Finance Minister Pedro Malan received praise for one of the issues that sustains the new Brazilian foreign policy: the Real Plan and its effects on stabilizing the economy. This sign of international approval will serve as a sort of red carpet for President Cardoso's arrival in Washington on 20 October to attend the 50th UN General Assembly. Even the restrictions put forward by the WTO Payments Balance Committee, during meetings in Geneva 5-6 October, over the Brazilian Government's decision to implement car import quotas early in the year have not shaken the optimism at Itamaraty. "It was a pragmatic decision which meets the interests of the exporting countries and does not harm medium- and long-term Brazilian interests," said Jose Alfredo Graca Lima, Foreign Ministry deputy chief of staff. Lima says the fact that the WTO did not establish a date for Brazil to suspend the implementation of the quotas is a victory for Itamaraty diplomacy.

A good criterion by which to measure the results of the presidential diplomacy implemented by President Cardoso is, on the one hand, the number of visits he has already made abroad and, on the other, the number of official visits he has received in Brazil. Regarding Cardoso's visits abroad, we realize that the president chooses to perform foreign policy in a personal fashion. Since his installation he has visited the main Latin American countries, established a direct line with Germany's powerful Helmut Kohl by visiting Bonn and other German cities, met with the main executives of the EU in Brussels to bring the Common Market of the South closer to the European bloc, and is still looking for more. On 22 October President Cardoso leaves for Bariloche, Argentina, for a summit meeting with his Latin American counterparts. After Washington, he will go to the PRC; then he will wait for 1996 with his luggage ready to visit India, Japan, and Malaysia.

"Things have changed," the president asserted in a news conference with foreign journalists during his visit to Germany in September. "In the past, and even less today, Brazil has never thought about implementing a foreign policy divided into areas of influence of wealthy countries. We have no hegemonic ambitions, but will not submit to any country either." This theory was reinforced by Foreign Minister Luiz Felipe Lampreia at the UN General Assembly session at the end of September. Lampreia challenged the other countries to agree to the modernization of the United Nations and concretely launched Brazil's candidacy for a permanent seat on the UN Security Council. President Cardoso and his team of diplomats will pursue this goal all next year.

While getting ready to take many trips, President Cardoso often plays the role of host. The president has already welcomed 20 chiefs of state. On 10 October he received the Vietnamese president. A little before that he received the Namibian prime minister. On 17 October, while President Cardoso was having dinner with PLO leader Yasir 'Arafat in Brasilia, Spanish Prime Minister Felipe Gonzalez arrived in Brazil for a series of meetings with the Brazilian president on 18 October. Next it will be the Ukrainian president's turn to arrive in our country. Before all that, however, U.S. First Lady Hillary Clinton will have already visited Brazil — taking the Salvador-Brasilia route — for a weekend meeting with her counterpart Ruth Cardoso.

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This busy Itamaraty schedule, however, represents more expenditures for the government, and this is a headache for the economic team. Planning Minister Jose Serra has already been seen complaining about the increasing expenditures resulting from the current foreign policy. He denies having made severe criticism of this policy.

"Itamaraty has the best civilian bureaucracy in the country, but due to its own characteristics, it is more concerned with international accords than domestic problems," Minister Serra told ISTOE.

"All finance and planning ministers tend to consider next-day problems only, but the diplomats have to look more into the future," said Jose Botafogo Goncalves, Itamaraty's deputy secretary general for integration, economic, and foreign trade affairs.

It is natural to see Botafogo Goncalves and Serra defend different positions. While the planning minister has the obligation to say no to new expenditures, Botafogo Goncalves is one of the Itamaraty officials more interested in expanding Brazilian missions abroad as a result of the policies being implemented in the country since President Cardoso's installation. Defending the need to obtain more resources for foreign policy activities, some of Minister Lampreia's close aides point out that in the 1995 budget, only 1.3 percent of the government's overall resources were allocated to their area.

Outside of the elegant rooms where the diplomats normally perform their duties, there has been some criticism of the strategic plans, such as the attempts to become a member of the UN Security Council. "This candidacy, for example, will yield no profit and will result, if accepted, in heavy financial commitments, in addition to endangering Latin American unity," Federal Deputy Roberto Campos said. Campos has been Brazilian ambassador to England. "After all, Mexico and Argentina are also jockeying for the same position, and if Brazil is granted this seat, the other countries will become jealous," Campos added. Diplomats are aware that there are risks in taking action. Stimulated by President Cardoso's personal will, however, they are convinced that they can count on the best guarantees in the market to continue walking this path.

Chamber Committee Extends Emergency Fund for 18 Months

PY3110114795 Sao Paulo AGENCIA ESTADO in Portuguese 0050 GMT 31 Oct 95

[Report by Ribamar Oliveira]

[FBIS Translated Text] Brasilia, 30 Oct (AE) — By 27 votes to seven, a special committee of the Chamber of Deputies today approved the extension for 18 months — until 30 June 1997 — of the Social Emergency Fund (FSE). As of 1996, the FSE will be called the Fiscal Stabilization Fund (FEF) [Fundo de Estabilizacao Fiscal]. The wording of the approved amendment does not specify an expiration date for the 35 percent and 26.5 percent personal income tax brackets. Under the current FSE law, these rates will be in force until 31 December 1995.

Deputy Ney Lopes (PFL-RN) [Liberal Front Party-Rio Grande do Norte], the rapporteur of the approved amendment, said today that Federal Revenue Secretary Everardo Maciel told him that the executive branch would submit, within the next few days, a bill to Congress proposing that the above personal income tax brackets be maintained. Income tax revenues go to the FSE.

Beside changing the name of the FSE, Lopes' amendment forces the administration to publish, every two months, a report on the expenses and revenues of the FEF. Lopes initially endorsed the idea of including revenues from the Rural Land Tax (ITR) in the FEF. At the request of PFL leader Inocencio de Oliveira, however, he decided not to include it. All of the amendments proposed to Lopes' proposal were rejected.

Deputies of the PSDB [Brazilian Social Democracy Party], the PFL, the PMDB [Brazilian Democratic Movement Party] and the PPB [Brazilian Progressive Party] massively voted in favor of Lopes' proposal. The administration's initial proposal called for a four-year extension of the FSE. Later, President Cardoso asked that it be extended for two years. The administration's strategy now will be to seek an agreement that would extend it for two years, when the proposal comes for voting at the Chamber floor, possibly tomorrow night (31 October).

Deputy Luiz Carlos Santos, the government leader in the Chamber of Deputies (PMDB-SP) [Sao Paulo] did not state, however, if he will propose the extension to two years. He said: "We must thoroughly evaluate the issue." PMDB leader Michel Temer (SP) believes any agreement on the matter should also include Senator Jose Sarney, the president of the Congress and of the Senate, who opposes the FSE extension. Temer said: "The agreement must include the Senate."

The administration's strategy is to try to have the Chamber floor approve an amendment proposed by Deputy Gerson Peres (PPB-Bahia), which would extend the FSE for two years. Yet the agreement will depend on negotiations Planning Minister Jose Serra will hold with Maranhao Governor Roseana Sarney, who wants the administration to allocate 1.2 billion reals of the FSE

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to the States Participation Funds (FPE) and to Municipal Participation Funds (FPM), for two years.

The difficulty ahead of Peres' proposal is that Lopes' proposal was approved by the bloc leaders. Lopes believes the 18-month period is inadequate. He said: "The period included in my proposal is unreasonable, but it is the one that is politically feasible." He added: "I drafted a political amendment and it should be considered as such."

Chile

Government Officially Protests French Nuclear Tests

PY3010142895 Madrid EFE in Spanish
2000 GMT 28 Oct 95

[FBIS Translated Text] Santiago, 28 Oct (EFE) — The Chilean Government today categorically rejected and condemned the third nuclear test carried out by France in Mururoa Atoll in the South Pacific within the framework of a program authorized by President Jacques Chirac involving the holding of atomic tests between September 1995 and May 1996.

A note delivered today by Chilean Foreign Minister Jose Miguel Insulza points out that "the Chilean Government expresses its categorical rejection and condemnation of the new nuclear explosion carried out by France in Mururoa Atoll, which confirms a policy that goes against the international prevailing will of making progress toward denuclearization and peace."

"Although the French Government announced its intention of signing, in May, the Treaty of Rarotonga, which defines the South Pacific as a zone free of the presence and transport of nuclear weapons, and an eventual Treaty of Proscription of Nuclear Weapons in the World, this new incident places in doubt the real willingness of France to follow this policy," the Chilean official note states.

It adds that "the president of France has recently revealed his administration's decision to reduce from eight to six the number of nuclear explosions planned in the South Pacific, which is the immediate zone of interest for Chile. Chile considers that only the definitive suspension of such tests will constitute a real expression of the will of France to follow the policy of proscription of nuclear weapons in the world."

On the occasion of the first nuclear test, which took place on 5 September, Chile recalled the ambassador in Paris, Jose Manuel Morales, for consultations in Santiago. The envoy, after remaining for 10 days in the country, returned to France amid the protests of local ecological groups that demanded that he definitively stay in Santiago.

President Eduardo Frei demanded in several international forums that nuclear tests be prohibited. He first made this demand at the Ibero-American Summit that took place recently in Bariloche, Argentina, and then in New York, on the occasion of the 50th anniversary of the United Nations.

Ukrainian President Kuchma Arrives in Santiago

PY3010140295 Madrid EFE in Spanish
0042 GMT 30 Oct 95

[FBIS Translated Text] Santiago, 29 Oct (EFE) — Ukrainian President Leonid Kuchma arrived today in Santiago from Buenos Aires, for an official two-day visit. For his first Latin American tour, which also included Brazil and Argentina, he is accompanied by his wife and a retinue.

After his arrival at the Comodoro Arturo Merino Benitez International Airport, the Ukrainian head of state was transferred to a downtown hotel, where he will remain with his retinue during his stay in Santiago.

Tomorrow Kuchma will sign an agreement on mutual protection and promotion of investments between Chile and the Ukraine. He will likewise hold meetings with political, judicial, and economic authorities.

The agreement will be signed during a ceremony at the presidential palace, La Moneda, following a meeting with Chilean President Eduardo Frei.

At the same time, the foreign ministers of Chile and the Ukraine, Jose Miguel Insulza and Hennadiy Udovenko, respectively, will hold a working meeting at the Chilean Foreign Ministry, after which they will sign a Protocol of Consultation between the two ministries.

Following a luncheon offered by President Frei, Kuchma will hold protocol meetings with the presidents of the Supreme Court and the Chamber of Deputies. He will also be declared illustrious guest of the city of Santiago.

Kuchma will leave Chile on 31 October after offering a news conference during which he will make an assessment of his visit.

Pinochet Meets Frei, 'Sorry' About Contreras' Imprisonment

PY3010144295 Santiago Universidad Catolica Television Internacional in Spanish
0000 GMT 28 Oct 95

[FBIS Translated Text] General Augusto Pinochet said he is sorry Manuel Contreras should be in prison. The

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commander in chief of the Army gave an exclusive interview to Teletrece this afternoon at La Moneda after meeting with President Eduardo Frei, who confirmed the Army promotions.

President Frei arrived from New York at 0600 today and went to La Moneda Palace expressly to receive General Pinochet. He had to approve or reject the list of retirements and promotions of generals suggested by the Army commander.

Have there been disagreements between the administration and the Army with regard to the drafting of this list now that General Contreras is in prison? It was thought that there would be. However, if there were differences of opinion, they were not clarified during the half hour meeting held between Frei and Pinochet.

[Begin recording] [Unidentified reporter] [Question indistinct]

[Pinochet] I have always met with the president in an atmosphere of cordiality and, in particular, a respectful manner befitting gentlemen. For me, the president is the president, and I must be respectful and considerate at all times. I brought him the results of the promotion board.

[Reporter] Was it approved?

[Pinochet] It is all approved. If the president did not say anything, it is all approved. He said it is alright and he accepted the promotions; therefore, I am leaving the palace satisfied and happy. [end recording]

There were strong rumors that the administration had asked that Generals Torres, Videla, and Covarrubias, who had played a key role in the Contreras case, be passed into retirement. Gen. Pinochet clarified this point:

[Begin Pinochet recording] All those who wanted something to happen [words indistinct]. Only the president of the Republic, the defense minister, or I can make that decision. [end recording]

Since Gen. Pinochet returned from Malaysia, he had not made public comments on General Manuel Contreras' transference to Punta Peuco prison, nor on how this fact affected the relations between the Army and the government.

[Begin recording] [Pinochet] This is a legal case. As you know the administration has many activities. There is the executive, and a judicial branch. What do you want me to tell you? Nothing.

[Reporter] What do you think of Gen. Contreras' serving his sentence in Punta Peuco?

[Pinochet] I am sorry for him. I am still sorry. But I will not comment on it.

[Reporter] General, it has been said that you traveled abroad in order not to be in Chile when Gen. Contreras was transferred to Punta Peuco.

[Pinochet] Let me tell you something, dear. I have always worn my trousers appropriately like a man. So don't come to me with stories now. Those were just rumors. [end recording]

Life Imprisonment for Authors of Triple Murder Confirmed

PY3010165595 Santiago Universidad Catolica Television Internacional in Spanish 0000 GMT 28 Oct 95

[FBIS Translated Excerpt] The Supreme Court this afternoon confirmed five of the six life imprisonment sentences imposed as a consequence of the kidnapping and slaughtering of three Communists in March 1985. The resolution was unanimously adopted by the members of the penal supreme court. Dozens of people, including politicians; relatives of the three victims — Manuel Guerrero, Jose Manuel Parada, and Santiago Natino — as well as members of human rights associations, attended the court session to hear the final decision.

Supreme Court Secretary Carlos Menezes, who read the resolution, announced that the life imprisonment sentences were being confirmed for Carabineros Colonel Guillermo Gonzalez Betancourt, retired, and Noncommissioned Officers Jose Fuentes Castros, Alejandro Saenz Mardonez, and Claudio Salazar Fuentes, all retired, as well as for the only civilian, Miguel Estay Reyno, aka El Fanta, for having kidnapped and slaughtered the three Communists.

The life imprisonment sentence issued for Captain Patricio Zamora, retired, was reduced to 15 years and 1 day of prison, as it is viewed that he was an accomplice to, rather than author of, the abovementioned crimes. He is also guilty of unlawful association for terrorist purposes.

After the sentences were announced, the dozens of people present in court shouted slogans and sang the national anthem. [passage omitted]

Lagos Heads New Political Group 'Chile-21'

PY3010201595 Santiago EL MERCURIO in Spanish 21 Oct 95 p C4

[FBIS Translated Text] Senator Carlos Ominami yesterday defined the Chile-21 Foundation as an organization that has its center of gravitation in the left of the Coalition of Parties For Democracy [CPPD]. Chile-21 gathers personalities that are linked with the Socialist Party and the Party for Democracy. Yesterday it opened the doors

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of its new headquarters in Providencia District, Santiago.

Ominami denied that the creation of this foundation seeks to promote the personality of Public Works Minister Ricardo Lagos as presidential candidate for the CPPD. He said this despite the fact that Lagos permanently heads the polls as the CPPD personality with the greatest approval.

Lagos, who presides the Chile-21 Foundation, denied that it is a platform to launch his candidacy to the presidency of the Republic in 1999, and denied that he is seeking nomination.

Daily Views Uncertainty Surrounding Possible Reconciliation

PY3010222095 Santiago EL MERCURIO in Spanish 6 Oct 95 p A2

[Commentary by Luis Munoz Ahumada]

[FBIS Translated Text] Analyzing the current political-military disagreement, it must be said that the president of the Republic has become aware of the dangers of indefinitely maintaining conflicts that revive the division among Chileans which ended with a cost that nobody wishes to see repeated.

Reconciliation through three projects, two of which are obviously controversial, reveals the common reticence of the member parties of the Coalition of Parties for Democracy [CPPD] to reach agreement with the Armed Forces, even if that is what the chief of state wants. The CPPD member parties always demand that the Armed Forces be reminded that overthrowing a legitimately elected government — no matter how harmful or perverse it may have been in the opinion of the great majority of Chileans — is a grave sin that should never be repeated. Despite the historic reality that condemns some for having failed with a system that lead the country to its obvious civilian and economic ruin, and others for being inconsistent with what they demanded at that time, the CPPD is trying to resolve the conflict in as unpleasant a manner as possible for the Armed Forces.

However, the groups have different viewpoints. The leftist sector of the CPPD made every effort to diminish the achievements of the military government by keeping cases involving arrested-missing people open with the pretext that these cases represent a violation of human rights. The human rights cause can be used to call the military officers hangmen and those who defend them accomplices, thus concealing the fact that their achievements are based on the military regime's model. Moreover, the CPPD is equally interested in subjecting the Armed Forces to the political power with the purpose of demoralizing them and, if possible, weaken the values that keep them united, through the discretionary retirement, promotion, and assignment of those who are more submissive to the political government in power.

Nevertheless, projects are underway and one may think that the deployment of ministers throughout the country and the many mentions by the president, even in small regional areas of the country, are a campaign to exert pressure, showing them as perfect and inseparable solutions proposed by a government eager to unite the Chilean people. Once public opinion has been influenced, negotiations can start in Congress to attain as much as possible and at the same time reduce the political cost that the final solution may represent to parties like those of the CPPD which have promised to be resolute with the Armed Forces.

The strategy has a parallel purpose: If nothing works, at least the CPPD has made its utmost effort; and if an agreement was not reached it was due to the inflexible attitude of the opposition, the legislators of the National Renewal and UDI [Independent Democratic Union.] Moreover, the ancient dispute between these two political groups has resurfaced at a very untimely moment, because the initial vehemence gave the disagreement over how to tackle the government's strategy an unusual dimension.

The solution to the political-military conflict is undoubtedly a government priority. A country with an unhealthy coexistence cannot make any progress because no government action can be carried out without the support of a citizenry that feels identified with the project. This is why it is incongruous that the leftist parties continue to maintain that they will be inflexible in demanding that the three projects be approved. The position of the so-called progressive faction is not as strong as to be able to impose itself on what is an obvious fact. It has done so until now because the show of firmness has been productive, but everything indicates that the president may have granted more importance to the constitutional reforms and the amendment of the Armed Force organization law than to the human rights issue.

The Christian Democratic Party's position does not seem clear, but it is hoped it will be more flexible than the Socialist Party and the Party for Democracy, and that it will be closer to what the president wants.

It is hard to say what the final outcome will be, unless it is believed that maintaining such a serious conflict is another reason for the poor opinion the citizenry have of the politicians and that, on the contrary, a solution sought with dignity may improve that poor image to a great degree. The opinion of the average citizen, who considers abusive the unfair and low-level harassment against the Armed Forces, whose loyalty to the regime

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has been maintained due to the stoicism of its own values and the influence of the respective commanders in chiefs for their subordinates, should also be taken into account.

Colombia

Ambassador to Venezuela Discusses Border Dispute

PA3010160995 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 30 Oct 95

[Telephone interview with Colombian Ambassador to Venezuela Francisco Posada by unidentified correspondent; from "Caracol's 0600 to 0900" newscast —live]

[FBIS Translated Text] [Correspondent] President Caldera recently expressed his surprise at Colombian President Ernesto Samper's calls for increased border security and for Venezuelans not to attack our people when there is no Colombian military protection on the border. There is no due protection, no due security to check the Colombians who carry out attacks in Venezuela. What do you think about this, Mr. Ambassador?

[Posada] I do not think that I am the one to comment on President Caldera's remarks. He said that Colombia not preventing its narcoguerrillas from attacking Venezuela is unacceptable. This is what I heard him say on television last night, when he returned from his trip and following our tour through the Perija mountain range. He said that the same way President Samper declared that it is unacceptable that Venezuelan troops enter Colombian territory, he finds it unacceptable that Colombia is not present at the sites where Venezuelans are the object of aggression by irregular forces. This is how EL NACIONAL has reported what he said.

[Correspondent] Yes, sir.

[Posada] We visited El Pintado Hill, in the Perija region, yesterday. The main event took place there: Colombian peasants were captured or arrested and huts were destroyed, just as you reported. While the Colombian delegation brought equipment to measure coordinates, the Venezuelan delegation did not bring any equipment. Although we were able to prove that this is Colombian territory, Venezuelan Deputy Foreign Minister Milos Alcalay and the Venezuelan delegation said that they had to study whether or not this is Colombian territory. We are certain that this is Colombian territory. Colombian Deputy Foreign Minister Cardona said that this is the Colombian Government's clear and distinct position; therefore, we believe that the border was crossed to make the capture and that the two who were arrested must be released. We did not reach any agreement. Separate reports will be presented to both Foreign Ministries. We will wait for our government to decide.

[Correspondent] Does this mean that this is no longer an issue of a violent attack but of a border violation?

[Posada] It would be different if the violent attack had taken place on Venezuelan territory. The first thing that had to be established was whether or not Venezuelan territory was invaded. You must understand that these are different situations. We cannot protest if Venezuela arrests Colombians carrying out illegal activities on its territory: As a sovereign nation, they have the right to do so. The situation is different if this happens on Colombian territory. This is the essence of Colombia's claim, the essence of claims by state authorities and by Cesar Department authorities and by authorities from Manaure Municipality. It must be established that the border was violated before we can address all the rest.

[Correspondent] Presumably, another diplomatic note will be issued and compensation will be sought for what the National Guard did on Colombian territory.

[Posada] I suppose that once Deputy Foreign Minister Diego Cardona presents his report to the foreign minister, the Foreign Ministry will study it and adopt whatever position it deems pertinent. As you and other respectable Colombian media have reported, it is necessary to act with a cool head, with moderation, and with prudence because this involves relations between two sister nations. The Colombian Government's position has been clear. I believe we must maintain this line of conduct.

[Correspondent] Mr. Ambassador, is it not disquieting to hear the president say that the problem of cars being stolen in Venezuela and being brought into our country must be resolved before this situation is resolved?

[Posada] I think these are two completely different matters. Regarding the auto theft problem, I have always said that this is a problem involving mafia operations between the two countries. First, we must consider that the cars are being stolen in Venezuela and that it is the Venezuelan authorities' obligation to see that cars are not stolen in Caracas and Maracaibo. The fact that the cars are later taken to Colombia establishes a situation in which the authorities from the two countries must cooperate to seize the vehicles.

Radio Polls Listeners on Venezuelan Border Issue

PA3010163795 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 30 Oct 95

["Today's Issue" feature; from "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] "Today's Issue" surveyed Caricol listeners on the Venezuelan border issue over the

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weekend: 1,064 listeners called on Colombian authorities to deliver a strong message to Venezuela on military actions taken against defenseless Colombians on the border.

Asked whether the government should deliver a strong message to Venezuela, 81.3 percent of those surveyed said yes while 18.7 percent said no.

Of those who answered yes: —20.4 percent said that sovereignty must be respected, —16.7 percent said that no one should be afraid to address this issue, —14.8 percent said that Colombia is the victim of repeated abuse, —13 percent said that Venezuelan troops are committing abuses, —11.1 percent said that there is always talk about mistakes, —7.4 percent said that Colombians on the border are abused, —and 5.6 percent said that these are typical acts of arrogance.

Of those who answered no: —30 percent said that Colombia triggered the events, —20 percent said that we should avoid problems, —20 percent said that regular channels must be used, —20 percent said that it is impossible to check the guerrillas, —and 10 percent said that Venezuela has good reasons.

Part of Gilberto Rodriguez' Statements Revealed

PA3010040395 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 30 Oct 95

[From the "AM/PM" newscast]

[FBIS Translated Text] [Station announcer] CAMBIO 16 Magazine, which is circulating on 29 October, reveals part of the questioning of Gilberto Rodriguez Orejuela before the Prosecutor General's Office. Here is a summary:

[Begin unidentified reporter recording] Gilberto Rodriguez Orejuela, when asked within Case 8000 whether he offered funds to the recent presidential campaign, admitted that yes, that he did so through journalist Alberto Giraldo, who proposed that he make contributions to the campaigns of Andres Pastrana, Ernesto Samper, and Miguel Maza Marquez.

The latest edition of CAMBIO 16 Magazine, which is already circulating, reveals parts of the questioning of Gilberto Rodriguez. According to the publication, when Alberto Giraldo consulted with the campaign treasuries, the three candidates rejected the contributions when they realized that the Rodriguez Orejuela brothers were involved.

Gilberto Rodriguez admitted that his brother owns the [?Ara] Investment Company, but he does not know what line of business it is involved in. According to CAMBIO 16, Rodriguez admitted that journalist Alberto Giraldo has been a friend for the past 20 years and also Julian Murcillo.

Gilberto Rodriguez said that he met Eduardo Mestre when working at the Workers Bank, but assured that he has not seen Mestre for the past 15 years. In his questioning, Rodriguez denied having contributed to the campaigns of politicians and having paid for accounts at the Intercontinental Hotel in Cali.

CAMBIO 16 reports that Rodriguez knows that Guillermo Pallomari is Chilean and was systems manager at the La Rebaja Drugstores. [end recording]

Communist Leader on Continuity of Samper Administration

PA3110011495 Havana PRENSA LATINA in Spanish 2144 GMT 29 Oct 95

[By Fausto Triana]

[FBIS Translated Text] Santa Fe de Bogota, 29 Oct (PL)—Alvaro Vasquez, secretary general of the Communist Party of Colombia (PCC), today said that the internal crisis his country is currently experiencing is bound to have two solutions: an institutional solution and a military solution.

The PCC leader commented that, in the complex Colombian panorama, we would rather take an observer's position biased only with the interests of the majority of the people. So, we would like to believe in a third option of continuity for the administration of Ernesto Samper.

In an interview with PRENSA LATINA, Vasquez explained that Samper's permanence in the presidency of the Republic is the least adverse possibility. "He is trapped; he is making more concessions to the right each day. However, the candidates that may follow him could be worse, and let us not even mention the military," he added.

The communist leader argued that the current chief of state is governing in the midst of strong pressure from the United States and the Colombian ultrarightist movement. "Both of them are forcing an institutional solution that would clear the path for Vice President Humberto De la Calle or to Liberal Party's Juan Manuel Santos."

However, I believe that Samper has strengthened his image in the last few weeks because of his speeches at the United Nations and the Bariloche Ibero-American Summit and especially because of the successful organization of the Nonaligned Movement Summit held in Cartagena de Indias.

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In light of this new reality, four days ago, the three presidential hopefuls—namely, Santos, former ambassador Noemi Sanin, and Andres Pastrana—engaged in a public debate in order to markedly continue to discredit Samper, Vasquez affirmed.

He described as a "desperate effort" the appearance of Santos, Sanin, and Pastrana, "because they favor the institutional solution and fear the military option a great deal, which, by the way, is mustering strength every day."

In his analysis, the PCC secretary general pondered on the case of the so-called Colombian guilds (financial groups), which, in his opinion, are divided. "This makes our nation's economic future uncertain, fact that favors the coup d'etat alternative."

On another subject, he spoke about the standstill in the peace negotiations with the guerrillas. He believes that this standstill is the result of the strong pressure the Army is exerting. We do not foresee a solution to this conflict during the Samper administration, Vasquez maintained.

He added that, on the contrary, major military operations are being currently conducted against the rebel forces in Uraba, Meta, Caqueta, Huila, Tolima, and Santander. These operations polarize the issue even more.

Finally, the PCC leader underscored the significance of his party keeping a profile of support for the interests of the poorest segments of the population, which are identified in a mass movement promoted by former Barranquilla mayor Father Bernando Hoyos.

Sanin, Pastrano, Santos Participate in Economic Forum

PA2810014695 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 25 Oct 95

[Report by Amilkar Hernandez; from the "Seven O'Clock Newscast"]

[FBIS Translated Text] Today a much heralded forum took place, which according to some government officials is a conspirators' forum. Noemi Sanin, Andres Pastrano, and Juan Manuel Santos saw each other again for the first time since the political crisis which has shaken the country. As if that were not enough, Prosecutor General Alfonso Valdivieso and former Finance Minister Rudolf Hommes also attended the meeting.

[Begin recording] [Hernandez] As was predicted, the economic forum of the SEMANA DINERO magazine ended in a political forum. The leading three precandidates for the presidency took the plunge. This was also their first meeting in public. Noemi Sanin received many compliments and demonstrations of camaraderie. In their speeches, Noemi appeared to be a idealist; Pastrana a politician, as was expected; and Juan Manuel Santos, so much of a technocrat that he got his wires mixed up.

[Santos] Technology changes so fast that one ... [points to bank of equipment] [laughter] [sentence unfinished as heard]

[Hernandez] All three concurred in launching direct and indirect attacks against President Ernesto Samper. Naturally, the conspiracy issue was not lacking.

[Pastrana] In this climate of confused values, it is natural that every time that anyone raises his voice to warn the country that it is approaching the abyss, he is immediately labeled a conspirator by those who make up the regime's court.

[Santos] If one asks for a rendering of accounts, as my predecessor said, one is labeled a conspirator.

[Hernandez] None of the three candidates accepted that they were campaigning, but neither did they deny it.

[Sanin] It is too early for that.

[Pastrana] I do not know if Juan Manuel is a candidate; personally, I am not a candidate.

[Hernandez] For now, the only thing that is certain is that this SEMANA DINERO magazine debate has opened the door for their presidential aspirations. [end recording]

[Announcer Jorge Alfredo Vargas] Spontaneously, the audience rated the five participants with the feared and infallible level of applause. Let us see whom the applause-o-meter favored.

[Begin recording] [Alfonso Valdivieso] The solution is to fight organized crime and effectively eradicate it from the financial system. [meter shows 1 minute of applause]

[Hommes] One expected that because we were from the same party there should be more continuity; of course, we all knew there would not be any continuity. [meter shows 18 seconds of applause]

[Sanin] I invite you to bury determinism and pessimism, and look toward the future. I have faith, let us do it. [meter shows 16 seconds of applause]

[Pastrana] In the economic field, this government, like a person who pedals each morning on a stationary bicycle, advances nowhere quickly. [meter shows 44 seconds of applause]

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[Santos] Let us not fool ourselves. The country is disintegrating. We are witnessing this everywhere. [meter shows 25 seconds of applause] [end recording]

[Announcer Maria Cristina Uribe] Oddly enough, the most applause was garnered by someone who is not a political candidate. In addition to the applause, another rating was made by analysts of national issues who attended the meeting. The first persons in their sight was Noemi Sanin. According to them, these are their strengths and weaknesses.

[Begin recording] [Analyst Maria Lucia Ramirez] I believe Noemi Sanin's presentation was excellent. I believe that she fully demonstrated that the country fits her to a tee.

[Portfolio Director Mauricio Rodriguez] It seemed to me to be a list of good intentions, which I hope Colombians will pay attention to and make a reality.

[SEMANA Director Mauricio Vargas] Noemi's strength is her substance.

[Hommes] I believe that Noemi was very nervous.

[Former Minister Hernan Beltz Peralta] Noemi's presentation was perhaps too lengthy, and therefore lacked a conclusion.

[Silverio Gomez] Noemi Sanin lacked a place to land.

[Hernandez] The same analysts analyzed former candidate Andres Pastrano.

[Analyst Enrique Penalosa] Andres Pastrana's strength lies in the manner in which he described today's political issues in Colombia.

[Hommes] Andres continues to be a great speaker. Very well done, very well prepared [indistinct word]

[Mauricio Rodriguez] I liked Andres' moral tone and the principles and values in his speech, which are scarce at this moment.

[Mauricio Vargas] Andres's weakness is that in some way he fell short of the issue being discussed in today's forum.

[Portfolio Deputy Director Silverio Gomez] He went too far regarding the current situation.

[Mauricio Rodriguez] Frankly, Andres seemed to me to be too political. I believe the issue was the economic and political future. [end recording]

[Announcer Maria Cristina Uribe] And finally, this is the way Minister Juan Manuel Sanchez was rated.

[Begin recording] [Enrique Penalosa] His strength is his very serious analysis of the need to have an efficient government to make the country progress.

[Mauricio Vargas] Juan Manuel Santos, I would say his strength is his profoundness.

[Hommes] Juan Manuel Santos is a more technical person.

[Mauricio Rodriguez]] Something I did not like was the excess of details in his analysis.

[Maria Lucia Ramirez] Sometimes Juan Manuel Santos does not reach his audience, because he has such a technical knowledge of the issues.

[Silverio Gomez] Juan Manuel Santos has a medium to long-range view of the issue. [end recording]

[Announcer Jorge Alfredo Vargas] These were the ratings of the analysts who attended the forum.

Air Force Experiencing 'Worst Crisis' in History

PA2910211395 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0130 GMT 29 Oct 95

[From the "AM/PM Newscast"]

[FBIS Translated Text] The crisis that the Colombian Air Force [FAC] is going through was disclosed this week.

The FAC is going through the worst crisis in its history, according to a secret report the "AM/PM Newscast" obtained. According to the report, Colombia does not have an Air Force capable of reacting immediately in an international conflict. The document stated that resources are needed to make equipment and maintenance systems work and that it is neccessary to purchase essential spare parts to repair inoperative aircraft and to change the (?Mirage) and Capir [name as heard] aircraft for more updated models. The FAC has certain limitations because its aircraft are old—its helicopters have been used for 28 years; the OB-10 aircraft, 27 years; the AT-37 aircraft, 25 years; and the (?Mirage) aircraft, 24 years.

We Colombians lack sufficient combat helicopters, because the ones we have are incapable of attending to internal law and order. Our air weapons are also insufficient because they are below the minimum standards, unable to attend to an internal situation or, worse yet, to react to an international conflict.

The confidential document also stated that the FAC does not have planes equipped with radars to detect illegal aircraft. Radars must be installed in certain areas of the country to control the airspace. We currently do not have mechanisms to detect an air attack on Colombian territory.

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The document concluded that the Colombian Air Force is operating at 50 percent of its operational capacity.

Ecuador

Executive Branch, Congress at Odds Over TSE Appointments

PY2710105095 Quito Voz de Los Andes in Spanish 2300 GMT 26 Oct 95

[FBIS Translated Text] Right now, Ecuador has two Supreme Electoral Tribunals [TSE] which are struggling between themselves to organize a plebiscite scheduled to be held on 26 November.

On 25 October, Congress appointed and installed four TSE members. They were supposed to replace the four other TSE members whose terms were extended because the executive branch did not propose any names to reorganize the TSE.

Neither the executive branch nor the former TSE members, who refuse to leave their posts, have complied with the congressional decision.

Guillermo Ortega, a TSE member appointed by Congress, said: We will proceed with the task entrusted to us by Congress in compliance with the Constitution. We are neither violating any law nor interpreting any congressional procedure.

According to the Constitution in force, Congress is empowered to appoint four TSE members. The Executive Branch is entitled to propose a list of names. Congress then proceeds to choose two names from this list, while the Supreme Court proposes the name of its representative.

Up to now, four TSE members have been appointed, but the executive branch has reported that it will not appoint its delegates until after the 26 November plebiscite is held.

TSE President Camilo Ponce Gangotena has stated that the four TSE members cannot exercise their duties because the other TSE members have not been appointed. The TSE comprises seven members.

Congress President Fabian Alarcon has stated: The appointment of TSE members does not mean we have taken over the TSE, because we have only complied with the Constitution. Alarcon said: The Ecuadoran Constitution establishes that the TSE members will be in power for two years, and the term in office of the previous TSE members expired more than a year ago. Alarcon added that Congress does not intend to obstruct the organization of the plebiscite summoned by Sixto Duran-Ballen for the approval of constitutional reform measures, among which is one allowing the executive branch to dissolve Congress once during a presidential term.

Congress President Alarcon said: No one intends to do this. Proof of this is that the appointed TSE members have stated that they will reorganize the regional TSE offices only after the plebiscite is held.

Supreme Court President Demands Secret Bank Account Data

PY3010221695 Quito Voz de Los Andes in Spanish 1700 GMT 30 Oct 95

[FBIS Translated Text] Carlos Solorzano, president of the Supreme Court of Justice [CSJ], has given the Pacifico Bank 20 days to provide information on the account of the former secretary of the vice presidency as part of the trial against former Vice President Alberto Dahik.

Solorzano said that financial experts and also the Pacifico Bank must submit reports on the accounts of Gladys Merchan and Juan Mario Crespo.

The announcement was made after Solorzano failed in his attempt to review the accounts of the former secretaries that were used to administer discretionary funds of the vice presidency.

The mentioned accounts were allegedly handed over to former Banks Superintendent Ricardo Munoz Chaves.

Solorzano said he expected the report on microfilm as well as copies of bank statement of the mentioned accounts.

Dahik is charged with opening current accounts with discretionary funds of the vice presidency in the Pacifico Bank.

Solorzano also confirmed that the Pacifico Bank has a copy of the government decree demanding custody and secrecy of the information.

Solorzano recently accused President Sixto Duran-Ballen of trying to block investigations related to Dahik's trial.

The president sent the manager of the Pacifico Bank a copy of the secret decree in which he declares himself sole custodian of the mentioned microfilms and bans the disclosure of the mentioned information. The microfilm containing information on the use of the discretionary funds of the vice president have become the key issue in the penal trial against Dahik, who fled from the country after the CSJ ordered his arrest.

The government's decision to prevent investigations into these documents created a strong disagreement between Duran-Ballen and the CSJ president.

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Finance Minister Announces Economic Goals

PY3010130895 Quito Voz de Los Andes in Spanish 2300 GMT 27 Oct 95

[All figures as heard]

[FBIS Translated Text] The Ecuadoran monetary authorities have announced that the economy will grow by approximately 3 to 4 percent in 1996, the inflation rate will range between 17 and 19 percent, and the fiscal accounts will be balanced. At the same time, the monetary authorities decided to adjust the exchange rate band for the second time in 1995 in face of the uncertainty of the markets.

Finance Minister Ivan Andrade said that given the nearness of the presidential elections, the government promises to leave enough fiscal resources to allow the incoming government to continue with the public projects within a framework of fiscal balance. During a news conference, the minister said that the fiscal balance foreseen for 1996 will help reduce the pressure on interest rates. The monetary authorities foresee that the fiscal deficit will reach 1.1 percent in 1995, while the economy will grow between 3 and 3.5 percent and the inflation rate will be between 19 and 21 percent.

It has likewise been foreseen that the price of oil will be $14.5 per barrel with an exportable volume of 68 million barrels in 1996, as compared to $15 per barrel this year, with estimated exports of 57.2 million barrels. This was announced at a time when the economic agents demonstrated deep concern in face of a possible reduction of the oil prices. This uncertainty made the dollar exchange rate jump 24 sucres over the ceiling of the floating exchange rate band, making it the greatest increase registered this year.

Further on Economic Goals, Projections for 1996

PY3010160095 Madrid EFE in Spanish 0032 GMT 29 Oct 95

[FBIS Translated Text] Quito, 28 Oct (EFE)—The Ecuadoran Government has outlined, well in advance, its economic goals for 1996 even beyond the term in office of President Sixto Duran-Ballen, who is due to step down in August 1996. The objective of this announcement is to stabilize the economic indicators that recently went "awry," and to assuage the uncertainties of the economic operators.

Ecuadoran economic authorities have also decided to make more flexible their devaluation control mechanism for the local currency. The overvalued Ecuadoran sucre has been an encouragement for importers to the detriment of national products and exports.

The flexibility of the devaluation control mechanism, which is based on an "exchange band" that the Central Bank has established, will have a "floor" of 2,584 sucres and a "ceiling" of 2,856 sucres to the U.S. dollar starting on 30 October, which means that there will be an exchange gap of 272 sucres between the two extremes, instead of the 100 sucre gap of the previous exchange band (2,586 and 2,686)

The rumors about a severe devaluation of the sucre and about an alleged radical change of the monetary policy engendered a strong reaction from the financial market throughout the past week, and the inter-bank interest rate almost trebled. The price of the U.S. dollar surpassed the previously established "ceiling" and closed the week at 2,713 sucres.

The economic team had set a devaluation target of 16.5 percent by the end of 1995, four and a half percentage points above the initial estimates at the beginning of the year, yet "totally compatible" with this year's inflation, which, it is estimated, will reach somewhere between 19 and 21 percent.

According to Ecuadoran Government estimates, taking into account an international inflation of 3 percent, the sucre will lose 19.5 percent of its value by the end of 1995.

The new Ecuadoran Government goals include a 3 to 5 percent growth of the GDP in 1995, and a 3 to 5 percent growth of the GDP in 1996, a zero fiscal deficit for 1995 and 1.1 percent fiscal deficit through December 1996. The GDP-foreign debt ratio will be 76 percent in 1995, and 69 percent in 1996.

Finance Minister Ivan Andrade; Augusto de la Torre, Central Bank general manager; and Ana Lucia Armijos, president of the Monetary Board, the organization that controls the Ecuadoran economy, invited the economic teams of the presidential candidates for the coming elections for talks to explain the positive aspects of the current economic program and, in particular, to recommend that the "exchange band" be maintained.

President Duran-Ballen's term in office will be over in August 1996, but his economic team has established an "exchange band" that will be in effect through December 1996.

The following "floors" and "ceilings" have been established through 1996: 2,656 and 2,936 sucres through 31 December 1995, 2,875 and 3,176 sucres through 30 June 1996, and 3,095 and 3,420 sucres through 31 December 1996. In all three bands the "floors" and "ceilings" maintain a 5-percent gap with the average. This "average" has been set at 2.796 sucres through 31 December

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1995, 3,025 sucres through 30 June 1996, and 3,258 sucres through 31 December 1996.

The unease that economic operators felt throughout the week, particularly on 27 October, led to an excessive demand for foreign currency, and an unprecedented increase of inter-bank interest rates.

The market's reaction to the "technical adjustment" of the "exchange band" and the disclosure of economic objectives will not be noticeable before the second half of the week beginning 6 November, because of celebrations related to All Saints' Day and All Souls' Day on 1 and 2 November.

Five New Oil Deposits Said Discovered in Amazonia

PY3010232895 Quito Voz de Los Andes in Spanish 1700 GMT 30 Oct 95

[FBIS Translated Text] The Ecuadoran State Petroleum Enterprise, Petroecuador, today announced that explorations in the Amazonia region have concluded with the finding of five new deposits producing light quality crude that could increase Ecuadoran production this year to 12,000 barrels of oil per day. This new finding represents the potential production of 2,688 barrels daily of light quality crude rated at 20 degrees on the American Petroleum Institute, API, standard, said Petroecuador Production Deputy Manager Mauro Davila.

Telecommunications Enterprise To Invest $15 Million

96P20053A Guayaquil EL UNIVERSO in Spanish 17 Oct 95 p 3

[FBIS Translated Text] Mariano Torre Gomez, Impsat [expansion unknown] general manager in Ecuador, announced that the enterprise will invest over 15 million dollars to implement several telecommunications projects, among them a submarine telecommunications network.

The above-mentioned enterprise operates "teleports" in Guayaquil and Ouito and is constructing one in Cuenca. Thus, national coverage will be guaranteed. Impsat is also integrated into the Latin American entrepreneurial telecommunications network, in other words, the information highway.

Among the projects envisioned by Impsat is the Global Fax Service, which will start operating in three months and is "destined to meet our users' requirements to access world fax distribution networks." said Torres.

He added that a corporative decision was made to become the first Latin American trunk network for Internet; in three months they envision the implementation of the pilot test to establish the ground access network, which will operate independently of the State Telecommunications Enterprise (Emetel).

Torre indicated that the enterprise signed an accord to have access to the fourth part of the submarine telecommunications network, which will enable it to communicate internationally via fiber optics within two years.

Armed Forces 'Open' to Audit of Arms Purchases

PY3010194795 Quito Voz de Los Andes in Spanish 1700 GMT 30 Oct 95

[FBIS Translated Text] Military sources have reported that the Ecuadoran Armed Forces Joint Command asked Defense Minister Alfonso Alarcon to audit the weapon purchases by Ecuador during the armed conflict with Peru that took place at the beginning of the year.

The Armed Forces Joint Command members asked the defense minister to order a special audit of all purchases made, said Jorge Ortega, chief of the joint command. The Armed Forces have their doors open to an analysis by those authorized to carry out investigations, said Defense Ministry Spokesman Colonel Carlos Badillo.

Armed Forces Coordinate Anticrime Effort

96P20060A Quito HOY in Spanish 24 Oct 95

[Received via Internet]

[FBIS Translated Text] Detainees in the hundreds; confiscated weapons, vehicles, and ammunition; discovery of "hideouts"; and continuous patrols of streets and highways, are the results of the first week of combined operation between the Armed Forces, the National Police, the Guayas Traffic Commission, etc., under the framework of an expanded operation to eradicate crime in Guayaquil.

As is known, the Armed Forces, and in particular Army Commander General Paco Moncayo, prepared the crime-fighting operation, for which he ordered combined forces of the three branches of the Armed Forces to constantly patrol the the city's entrances and exits, as well as the poor neighborhoods where criminals regularly hide. Several citizens told HOY that it is necessary for this operation to get underway and take on a permanent character. They commented on the Armed Forces' good attitude toward ensuring the peace and safety of Guayaquil's residents.

Correction to New Vice President's Background Viewed

PY2310194095

The following correction pertains to the item headlined "New Vice President's Background, Future Role

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Viewed," which appears in the 23 October Latin America DAILY REPORT, pages 62-63:

Page 63, first column, last paragraph, first sentence, make read ...new vice president, who has a Ph.D. in jurisprudence, is a lawyer, and majored in social science... (rewording)

Correction to Attorney General on Dahik's Extradition

PY2310194195

The following correction pertains to the item headlined "Attorney General Says Dahik's Extradition 'Possible'," which appears in the 23 October Latin America DAILY REPORT, page 62:

Second column, paragraph two, last sentence, make read ...Costa Rica on 11 October where he... (correcting date)

Peru

Fujimori Urges Exporters To Consider Asian Markets

PY3010221595 Lima LA REPUBLICA in Spanish 16 Oct 95 p 14

[FBIS Translated Excerpt] President Fujimori announced on 15 October that his administration plans to turn Peru into Latin America's first exporter of raw materials to Asian markets, way ahead of other Latin American countries.

"We must take advantage of this opportunity and be the first to enter the Chinese and Malaysian markets, that is where our future exports lies," Fujimori emphasized.

He challenged exporters to consider the huge Chinese market which encompasses 1.2 billion people.

Fujimori said Malaysia has developed the most over recent decades, adding that in 1994 this country exported $60 billion worth of goods, compared with the $4.5 billion that Peru exported.

He explained that he learned all this during trip to Beijing to attend the recent World Conference of Women, and from a recent visit of Malaysian Prime Minister Datuk bin Mohamed Mahathir.

Fujimori stressed, however, that Peru will not neglect its traditional markets like the United States and Europe.

Asked if that could happen, Fujimori answered: "That is not correct. Peru will continue to trade with the great country of the North and with Europe. I insist, however, that we must open up new horizons, look for areas to develop, and the time to do this is now." [passage omitted]

Brady Plan Entry To 'Shore Up' Economy

PY3010184995 Madrid EFE in Spanish 1825 GMT 28 Oct 95

[FBIS Translated Text] Lima, 28 Oct (EFE)—Peruvian President Alberto Fujimori's announcement that Peru has joined the Brady Plan confirms Peru's definitive return to the international financial system. Analysts believe the economic reforms instituted will shore up that the Andean country.

After negotiating for almost one year, the Peruvian Government cut its debt with 250 creditor banks by 45 percent, thus marking Peru's entry into the Brady Plan. Fujimori announced this during his closing address to a conference organized by THE ECONOMIST in Lima.

Peru is the latest Latin American member of the Brady Plan; Colombia, Argentina, Ecuador, Costa Rica, and Panama have already joined.

Peruvian analysts and politicians agree that Peru's joining the Brady Plan means President Alberto Fujimori's economic program has been shored up, and will benefit the nation's economy which is now much stronger.

The agreement that will be signed shortly "will greatly benefit the country as a whole" because it epitomizes a definitive return to the fold of the international financial system, a process that began in 1990.

Peruvian lawmaker Andres Reggiardo said the arrangement Peru reached within the Brady Plan "offers more expeditious solutions to our problems and a higher rating among foreign creditors and investors."

He added: "The entry into the Brady Plan epitomizes the shoring up of the Peruvian Government's economic program." Reggiardo is the vice chairman of the Andean Parliament's Sixth Extraordinary Period of Sessions, which is discussing the reorganization of the Andean Group at the Peruvian Congress in Lima.

Jorge Peschiera, Peru's official foreign debt negotiator in New York, obtained among other things a 45-percent reduction of the principal which Fujimori said totals $4.4 billion, including the debt to suppliers.

Joining the Brady Plan will allow Peru to significantly reduce interests on the principal. The remaining portion may be financed through bonds payable in 20 or 30 years. The interest rate on these bonds will be 2.5 percent per annum.

The agreement reached with the steering committee of creditor banks is just the start. Meetings between Peruvian negotiators and the committee will continue to draw up a financial plan called a "term sheet" which will soon be turned over to the creditors for their approval.

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Fujimori said the Brady Plan will give Peru access to medium and long-term loans, and will create more favorable conditions for renegotiating Peru's bilateral debt with the Paris Club during the first quarter of 1996.

"Without the Brady Plan there could be no agreement with the IMF, and without the backing of the IMF Peru could not negotiate with the Paris Club," Fujimori said. He added: "Peruvian exports will no longer be threatened by lawsuits and seizures."

Fujimori emphasized, however, that his administration feels "this is not the right time" to tell Congress and the citizenry all the details of the talks, because "a few years" will be necessary to think the issue through.

Editorial Views President Clinton's Opening Toward Cuba

PY3010221895 Lima LA REPUBLICA in Spanish 7 Oct 95 p 18

[Editorial: "Opening Toward Cuba"]

[FBIS Translated Text] The measures personally announced by President Bill Clinton at the White House concerning a respite in certain aspects of the blockade the superpower has imposed on Cuba for 35 years seems to represent the start of a relaxation in a situation that has always been conflictive and difficult.

These measures were adopted just as the so-called rafters' crisis lit up the "dialogue among the deaf" which has prevailed for years between Washington and Havana. As you may recall, the departure of about 30,000 people for Miami, in an effort to escape the serious economic crisis in the island since the collapse of the Soviet Union, forced the U.S. Administration to suspend automatic asylum for any exile from Cuba.

This suspension is being maintained despite protests from the powerful Cuban lobby [preceding word in English] in exile, although most rafters held at the Guantanamo Naval Base have obtained their admission into U.S. territory.

Mr. Clinton's decision surprised observers. A little over two months ago the House of Representatives approved by an overwhelming majority a bill submitted by the Republicans to make the blockade even more rigorous.

It is believed that said amendment will be approved by the Senate, although everything indicates that President Clinton could exercise his right to veto. This would force the two parties to seek an arrangement or to try to avoid the veto by achieving two thirds of the votes in each chamber which would be very difficult to attain because aggravation of the blockade could be contradictory.

Anyhow, Mr. Clinton remembers that next year is an electoral year and that he is running for reelection, and since it is not good for him to lose the million votes from the Cuban-American community, he has said the blockade will remain as it is.

Nevertheless, it is impossible to deny that the measures approved imply a small opening—as is the admittance that by tightening the blockade a democratic solution will not be found for the island. This is a solution which, if we believe the White House, is a main concern of the U.S. Administration.

What do those measures consist of? First, the U.S. media (press, radio, television, and news agencies), will be authorized to open offices and branch offices on the island. The purpose of this is to propitiate the arrival of more news into Cuba, although the opposite is also valid: more Cuban news will leave for the outside world.

Second, those nongovernment organizations or human rights offices which might like to establish relations with Cuba will no longer be bothered, making any type of exchange of a humanitarian nature easier for them. Things like this had been totally forbidden in the past.

Third, a greater exchange of people and institutions between the United States and Cuba will be promoted. Over the past 35 years, anyone visiting the island, including U.S. citizens on private visits and tourists, were interrogated.

The White House of course does not see this opening as merely philanthropic. The objective is to promote greater contact between Cubans and abroad, seeking a possibly peaceful transition.

The response by Castro's regime is not yet known, although it is possible that Fidel Castro—who is expected in New York to deliver a speech at the United Nations—may refer to these changes.

In any case, we must say that these changes are taking place when the opening of the Cuban economy to foreign capital and to joint companies, or companies of foreign capital, is total, prompted by the terrible crisis experienced over the past five years. Although many danger lights are still on, for the first time in five years the Cuban GDP increased 2 percent during the first half of this year, which shows a favorable answer to the reforms.

The measures announced by Bill Clinton have coincided, and we believe not by mere chance, with the announcement by EU countries which have scheduled talks with the Cuban Government, seeking to negotiate a possible economic agreement.

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This announcement prompted harsh criticisms from Washington, which urged its European partners to "think it over before normalizing their trade relations with one of the last dictatorships of the world." Everything indicates that the call did not yield the expected result because the EU had already entrusted a delegation of three countries—France, Italy, and Spain—to begin preliminary meetings.

With this the U.S. blockade would suffer its heaviest blow in 35 years, one which would truly affect it and which would not be limited to the current Spanish penetration alone, and which has transformed the peninsula into the main trade partner of Havana.

Moreover, countries like Mexico, Brazil, Chile, and others in the continent—which have already almost fully resumed relations they severed with Havana in the 1960's—have said they do not feel obliged by draconian measures from the United States which would only bring greater poverty for the Cuban people.

That is exactly the opinion expressed recently by Pope John Paul II, the architect of a spectacular rapprochement which led to speculation of a possible meeting with Fidel Castro in New York and a papal visit to Cuba.

Everything indicates, then, that all possible avenues are being investigated to achieve a peaceful democratic opening of power in Cuba, a decision which must be made exclusively by its people and which will never be achieved with blockade and hunger. The Cuban people must create their destiny as they want it.

Constitution Faces Modification Over Regional Elections

PY3010235195 Lima EXPRESO in Spanish 19 Oct 95 p A8

[FBIS Translated Excerpt] Victor Joy Way Rojas (C90-NM) [Change 90 New Majority], first vice president of Congress, yesterday announced that the Constitution will be amended to allow the postponement of the regional elections, which are scheduled to be held before the end of the year.

According to transitory Article 8 of the Constitution, "the decentralization regulations and, among them, those referring to the election of new authorities in 1995 at the latest," have priority precedence.

However, although almost two years have elapsed since its promulgation, Congress has not approved the measures on regionalization and the process, according to legislator Samuel Matsuda, president of the commission in charge of this subject, will only materialize in a couple of years.

Joy Way said the Constitution must be modified because "the established deadlines definitely cannot be met." [passage omitted]

Polls Show Preference Trends for Municipal Elections

PY3010173995

[FBIS Editorial Report] Lima America Television Network in Spanish carries, in its 0100 GMT cast on 28 October, a 20-minute report on the latest trends with regard to preference for candidates in the municipal elections campaign.

According to the report, the Peruvian Market Research Company, CPI, carried out polls between 3 and 27 October, obtaining the following results by province:

"Lima: Alberto Andrade Carmona from Somos Lima: 51.4 percent; Jaime Yoshiyama from Change-90/New Majority: 36.3 percent."

Meanwhile, for "El Callao: Alexander Kouri from Chimpun Callao: 41 percent; Kurt Woll from Change-90/New Majority: 38 percent; Alfredo Macias from Vamos Callao: 3.6 percent; others: 0.6 percent."

"Loreto: Jorge Chavez from Nueva Amazonia: 44.3 percent; Ivan Vazquez from Fuerza Loretana: 22.3 percent; Miguel Vazquez from Popular Action: 18.7 percent; others: 3.3 percent; undecided or intended blank votes: 11.4 percent."

"Lambayeque: Angel Bartra from Popular Action: 30.7 percent; Sergio Luna from Lambayecanos: 24 percent; Juan Salazar from Unidos: 23.6 percent; others: 6 percent; undecided or intended blank votes: 15.7 percent."

"Ancash: Guzman Aguirre from Region Chavin: 43.3 percent; Marcos Benitez from Somos Renovacion: 10.3 percent: Victor Ullen from Cambio Chimbote: 6.3 percent; others: 18.1 percent; undecided or intended blank votes: 22 percent."

"Ica: Desiderio Sanchez from Frente Popular Independiente: 25.7 percent; Pedro Ramos from Frente Progresista Iqueno: 20.3 percent; Jose Elias from Somos Ica 95: 10.3 percent; others: 24.4 percent; undecided or intended blank votes: 19.3 percent."

"Ayacucho: Hernando Garcia Zarata from the Por-Huamanga Movement: 12.7 percent; Vilma Valenzuela: 9.3 percent; Jose Zulka from Ayacucho No Puede Parar: 9 percent; Alberto Valencia from Somos Ayacucho: 6.3 percent; Walter Azcar from Nueva Ayacucho: 5 percent; Maria Luz Criales: 4.3 percent; Pio Pacheco from Gran Cambio Vecinal: 4 percent; others: 8 percent; undecided or intended blank votes: 15 percent."

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"Tacna: Tito Chocano from Fuerza y Desarrollo: 38 percent; Hector Liendro from Tacna-2000: 33.6 percent; Nilo Meza from Somos Tacna: 6.7 percent; undecided or intended blank votes: 19 percent."

Chief Justice Denies Delays in Resolving Cases

PY3110015395 Lima LA REPUBLICA in Spanish 13 Oct 95 p 14

[FBIS Translated Excerpt] Moises Pantoja Rodulfo, chief justice of the Supreme Court of Justice [CSJ], has asserted that there are no delays in resolving court cases and that temporary chambers within the CSJ have been created to expeditiously administer justice.

Pantoja said that out of 2,841 cases of terrorist crimes submitted to the CSJ up to 29 September, a total of 2,533 have been resolved and only 179 are pending. [numbers as published] [passage omitted]

Pantoja said that the implementation of the new Penal Procedural Code will help to expedite the administration of justice because neither the lower courts nor the CSJ will have to handle as many cases as they do now. [passage omitted]

Port Cleanup for Debt Cancellation Proposed

96P20056A

[FBIS Media Note] The National Confederation of Private Business, Confiep, has submitted a proposal to the ministers of economy and fisheries for the environmental cleanup of the port of Chimbote. According to a 25 October ANDINA news agency report received via Internet, the president of the confederation, Arturo Woodman, announced that Confiep, with the support of local industry and the National Society of Fisheries, has proposed that the government seek foreign debt cancellation in exchange for a program to "restore Chimbote and raise ecological consciousness."

Woodman explained that the industrial sector "understands the need for its active participation" in restoring the environment, and that Chimbote was chosen because of its "serious" health and environmental problems, ANDINA said.

The proposal calls for the Peruvian Government to invest "25-30 percent" of any potential debt cancellations in conservation programs. ANDINA cited Woodman as saying that there is "strong support" for the Chimbote project among the city's industrialists, and that the government's investment would be returned over a 10-year period through the profits on fishmeal exports as well as by local authorities and the iron and steel industry active in the area.

Woodman added that following a successful cleanup of Chimbote, Bahia de Paita and other ports should become targets.

He observed that similar debt cancellation projects are occurring in Bolivia, Ecuador, and Costa Rica, and that negotiations are under way in Peru for projects similar to Confiep's.

Correction to Daily on Brasilia Meeting, Declaration

PY2410211995

The following corrections pertain to the item headlined "Daily Comments on Declaration Issued in Brasilia," which appears in the 24 October Latin America DAILY REPORT, page 81:

First column, penultimate paragraph, only sentence, please make read... meeting was to assess the fulfillment of... (changing "access" to "assess")

Second column, penultimate paragraph, only sentence, make read ...a series of measures to inspire confidence included in the... (rewording)

Uruguay

President Interviewed at Ibero-American Summit

PY3110024095 Montevideo LA MANANA in Spanish 18 Oct 95 p 4

[Interview with President Julio Maria Sanguinetti by Cesar Garcia Acosta in Bariloche, Argentina, on the occasion of the Fifth Ibero-American Summit of Heads of State and Government; date not given]

[FBIS Translated Text] [Garcia] What is your assessment of this Fifth Ibero-American Summit of Heads of State and Government?

[Sanguinetti] Summit meetings must be viewed in their proper perspective. They are a place for reflection, deliberation, and analysis of certain common issues.

The most important matters discussed at this summit pertained to education. There was a broad consensus of opinion on the fact that education constitutes a development factor, something which was then reflected in the final declaration.

We put forward some proposals to study things with great breadth of vision. One refers to the need—which in our view, has been imposed by present circumstances—to find mechanisms to settle pending controversies in our countries in a more speedy fashion.

We find it difficult to imagine that we are going to enter the next century, enter the year 2000, with border disputes still unresolved.

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Another subject is unemployment, which is no longer a problem confronting only underdeveloped economies. Countries like Spain and Portugal—which are participating in this summit—have unemployment rates that are even higher than ours, which shows that this is a phenomenon characterizing not only the underdeveloped world but which stems from scientific and technological progress and many other factors that come into play. This is why we proposed a special study of this problem.

A third subject that we discussed pertains to a phenomenon that could be labeled "asylum," to simply lump together an entire situation. Every day we face problems that fall into this category. The problem lies in the fact that we have regulations that date back to the last century while our problems are from the 20th century.

Terrorism and drug trafficking, just to mention some of the problems falling under that category, did not exist when the 1889 treaty regulated those issues, for example. We believe that this is an opportune moment to make a study, to review principles, to analyze procedures, to look for methods. To this effect, we have proposed that a group of experts undertake a study so that the next summit meeting, to be held in Chile, can establish some criteria that will allow us to be better oriented in this subject, which is an ongoing source of conflict in our countries.

[Garcia] What bilateral contacts did you make during the summit?

[Sanguinetti] Besides discussing these questions, we had many bilateral contacts with heads of state; we had a long talk with the king of Spain and particularly with the head of the Spanish Government, Felipe Gonzalez, and with Brazilian President Fernando Henrique Cardoso. We also held a meeting of the presidents of Mercosur [Common Market of the South] member countries and Spain, which presently presides over the EU, to analyze even the date when the agreement between the EU and Mercosur is to be signed; it has been slated in principle for 2 December, but may be brought forward to 1 December or 30 November.

All these subjects were broached against the backdrop of undoubtedly imposing scenery—snow-capped mountains and huge forests dominating the breathtaking and spotless Bariloche landscape.

[Garcia] Now that some days have elapsed since Fidel Castro's visit to Uruguay, what benefit do you think Uruguay derived from it?

[Sanguinetti] Uruguay has always pursued an active policy; it has never been unconcerned with questions of democracy, peace, and freedom; therefore, we believe that our country can be a constructive protagonist.

In this case—as we have said publicly—we want to and think we can contribute to having the blockade lifted, as it not only prevents Cuba from functioning normally but also punishes Cubans, who, on top of all the evils they are suffering or enduring on account of the economic situation prevalent on the island, have to put up with the blockade and its attendant evils.

In any case, it seems clear to us that after 36 years the isolation method has failed and that another one ought to be found—the same method we used in other cases, in the case of Nicaragua with the Contadora group, in which Uruguay assumed a major role and responsibility because we realized that Central America was not far removed from us; on the contrary, it was much closer to us than it seemed and therefore, we had to do something, which we did. In the case of Paraguay, we also did something at a time when a military situation occurred during the dictatorship. We thought that the situation called for prompt action and we performed it.

This is a very complex and difficult case since the policy pursued on Cuba for so many years has not been conducive to the democratization of the island, a better standard of living for its people, or even peace.

At this time, when Israelis and Palestinians have come to an agreement and the United States has established the basis for an agreement with Vietnam, we believe that it is advisable to enter into dialogue.

This is, in our opinion, the benefits we have derived.

Cuban President Fidel Castro participated in this summit meeting and held talks with several heads of state. It is our considered opinion that a path is definitely being opened. This is also true in the case of Uruguay, because this is a problem that concerns our foreign policy. Uruguay must pursue the same coherent line of action it did in the past. Uruguay cannot renounce its foreign policy, a policy that must be active in the search for solutions, which may be found or not; the important thing is to be aware that one proceeds along a path that is consistent with one's principles and one's own interests. We have a very affirmative vision of our country in the world. This is why it is of utmost importance to us that our country defends the principles of freedom, democracy, and market economics and acts with the means that it has at its disposal—dialogue and the search for solutions.

[Garcia] Does the Cuba situation constitute one of those necessary examples of state policies that are essential for our country?

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[Sanguinetti] It has undoubtedly been so. In the case of the blockade, our country has been voicing its opposition to the blockade since 1985 and throughout the tenure of former President Luis Alberto Lacalle. Uruguay has always been against the blockade.

[Garcia] Did you analyze the Cuba problem with King Juan Carlos of Spain and Felipe Gonzalez?

[Sanguinetti] Naturally! You may write that they are pursuing a policy that is similar to ours.

Uruguay follows the same approach as the EU and countries like Spain. It is common knowledge that everybody is looking for a rapprochement. Such is the case with Mexico, which—as is also common knowledge—is the United States' partner in NAFTA. Still, Mexico also invited Cuban President Fidel Castro to visit Mexico in the near future. All this goes to prove that there is common ground between countries at present to begin searching for a peaceful solution to this situation.

[Garcia] The question of drug trafficking was an issue upon which the Colombian president particularly dwelt during deliberations. Will there be a front to combat drug trafficking in which Uruguay may participate?

[Sanguinetti] At the Rio Group meeting we expressed the need to embark upon resolute action concerning this subject because it is clear that Latin America is paying dearly.

Colombia, Bolivia, and other countries have gone through situations that have been sometimes dramatic in this area. The same holds true in the case of Colombia now.

I think that an impression is being formed at present that we must do things acting in close cooperation. If there is an international subject, it is precisely drug trafficking. Drug trafficking cannot be overcome through an isolated struggle by each country.

[Garcia] Is it possible to believe that Uruguay is for the time being safe from drug trafficking?

[Sanguinetti] One can never guarantee that. I would say that the situation has not yet reached alarming dimensions, but one must always be on guard because it is a phenomenon that occurs every day. It is enough to mention what happened the other day, when drugs were burned in Montevideo, a most impressive operation. This shows that drug trafficking also exists in Uruguay, although our country does not produce drugs nor is it involved in the illegal drug trade as much as other countries are. Nevertheless, this is a phenomenon that nobody can avoid at present.

Venezuela

Armed Forces Locate Poppy Plantations

PA2710021895 Caracas EL NACIONAL in Spanish 22 Oct 95 p A2

[Article by Jesus Eduardo Brando]

[FBIS Translated Text] The National Armed Forces have found in the course of the Sierra VIII Operation more than 200 hectares of land planted with poppy in the area of Perija, high-level official sources have told EL NACIONAL.

The sources added that more than 1,000 hectares of poppy were destroyed during the previous operation and that so far this year some 12,000 hectares have been destroyed, which shows the determination of the Colombian drug cartels in using Venezuelan territory for their international criminal activities.

As for this last operation conducted on 9 October, Venezuelan troops arrested Colombian citizens Gerardo Mora Arteaga and his sons Jesus del Carmen Mora Charry and Gerardo Mora, as well as another individual, only known by his first name, Libardo. The individuals were in national territory when they were arrested.

When questioned by the Venezuelan authorities, those who were arrested confessed they had been hired by an individual identified as Lenin Mueguez, who they described as a 50-year-old man, Indian-looking, fat, and with a mustache.

Mueguez had reportedly hired them in early October on the pretext of harvesting coffee, but since the workers told him the coffee beans were not ripe yet, he asked them to harvest poppy in Cerro Pintao, on the Venezuelan side of the mountain range.

Mueguez had very shrewdly built his logistics center on the border area between Perija (Venezuela) and Manaure Municipality, in Cesar Department (Colombia), an area in which the Colombian Agustin Codazzi Geographic Institute itself had described in official documents as "the tentative border with the Republic of Venezuela."

In the area there was a country home for the lodging of those responsible for the planting of the crop and their workers, mobile communications equipment, cattle, and crops for the consumption of the workers. They also had a tractor that was being used to open up paths toward the fields and to bring out poppy, marijuana, and illegal lumber cuts as well as for the preparation of the plots of land to be planted.

All of this was confirmed by the detained men in statements properly signed, certified, and fingerprinted

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in the presence of the authorities. As a result, 8th Criminal Judge Mirta Rios de Alvarez issued a warrant of arrest against Gerardo Mora Arteaga. His sons Jesus and Gerardo were put at the orders of 2d Minors Judge Maritza Romero. The indicted men exculpated Libardo, saying he did not know what they were doing. Consequently, the criminal court put him at the orders of the Foreign Citizens Directorate to be deported.

Report

Regarding this incident, the Colombian media and international news agencies have spread remarks attributed to Colombian Foreign Minister Rodrigo Pardo, who was said to report a Venezuelan military raid into Colombian territory, where soldiers kidnapped five people, destroyed their property, and killed their poultry. Pardo was also said to have reported this complaint resulted from an investigation in the area by a joint Foreign Ministry and Colombian Armed Forces commission. Pardo also, it was reported, warned about the possibility of his government filing a protest note with the Venezuelan Foreign Ministry.

Nevertheless, EL NACIONAL learned that the report is not exclusive to Colombian authorities but that it is a document prepared by a binational commission whose Venezuelan members are headed by General Lara Ortega, commander of the 1st Army Division in Zulia Department. In the report, Venezuelan authorities made known to Colombian authorities the location of the fields, which included 45 hectares planted with poppy and five of marijuana, in addition to four other hectares that had been illegally deforested for lumber. The report also supplied the identities of the detained and the wanted, all of which shows that at no time was information withheld from Colombian authorities or were actions carried out without their approval.

Reinforcements Necessary

Despite the frequent and repeated binational meetings at the highest levels — including the presidents, defense ministers, and top military and police officers of the two countries — as well as the constant renewal of cooperation agreements and commitments, Colombia has failed to reinforce the operations to persecute narcoguerrillas and other outlaws.

The situation is even more critical if we take into consideration that one of the most frequent criminal actions in the zone is kidnaping. It is well known that the people active in planting poppy and marijuana fields know and give assistance to the kidnapers of Venezuelan farmers and cattlemen, as reported by Jose Atencio, reportedly kidnaped by guerrillas on 21 April on his way to his farm El Albarical. Later, employees of Inravision's radio booster station at the border saw the kidnapers and their victim enter Colombian territory. Colombian authorities, however, have not cooperated to any great extent in trying to locate the kidnapers' whereabouts and rescue the cattleman, for whose ransom the guerrillas have demanded 150 million bolivares.

The Colombian Government reacted similarly when Venezuelan authorities have acted against the smuggling of gasoline into Colombia. U.S. and Venezuelan authorities have determined that most of this smuggled gasoline is intended to process cocaine, bazuco [cocaine sulfate], and heroin, which are rendered all the more lethal for consumers because of the presence of tetrahethyl lead. Smuggling is prompted by the restrictions in the international market on obtaining and clearing ether and acetone shipments.

The DEA has reported that there are approximately 50,000 hectares planted with poppy on the Collombian side of the border.

The anti-drug operations in the Perija Sierra instance alone will represent disbursements by the millions in equipment, mobilization, and special logistics. To mention only two aspects, the displacement of troops in this most recent action cost 12 million bolivares in extra rations for the men plus another 70 million bolivares for the use of helicopters.

Government Welcomes Colombian Border Demarcation, Troops

PA3010230595 Caracas Venezolana de Television Network in Spanish 1550 GMT 30 Oct 95

[From "The News" newscast]

[FBIS Translated Text] Foreign Affairs Minister Miguel Angel Burelli Rivas said that the Venezuelan Government welcomes the initiative of renewing border demarcations with Colombia and welcomes the regular forces the neighboring country has transferred to the border.

[Begin Burelli recording] We must remember that this is an area where demarcations are in a very poor condition. For a long time we have been insisting with Colombia that we get together and agree on the demarcation. Colombia should have a greater Armed Forces presence; it is an area guerrillas consider liberated, where all sorts of antisocial acts are carried out with impunity. Greater control should be exerted on the Colombian side. [end recording]

He said that the movement of troops, far from representing a problem, guarantees — for the benefit of our country — that poppy growers will stop destroying the Sierra de Perija national park with their plantations.

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Decree 895 on Exchange Authorizations Modified

PA2710042995 Caracas EL UNIVERSAL in Spanish 24 Oct 95 p 2-1

[FBIS Translated Text] The modification of Decree 895 was published in the 20 October 1995 issue of the GACETA OFICIAL thus resolving the problem that was preventing the Exchange Administration Board [JAC] from approving a number of pending authorizations the Central Bank of Venezuela [BCV] was expected to liquidate.

The JAC members could not sign those authorizations on 20 October, because as they were about to sign them, the BCV notified them that the interministerial committee had to revise the new and old authorizations, according to Decree 895.

The exchange officials were forced to suspend the signing of the authorizations allocating dollars to the health sector, between $50 million and $60 million, and to the media, approximately $24 million.

The executive branch mended the error as it again published the GACETA OFICIAL containing the decree. Following is the new text of Decree 895:

Resolution

Upon instructions of the citizen president of the Republic, fulfilling the duty conferred in Paragraph 12 of Article 39 of the Central Administration Law, and according to Article 84 of the Administrative Procedures Law, it is hereby proceeded to correct Decree 895 of 18 October 1995 published in GACETA OFICIAL No. 35.819 of the same date as an error was committed in Article 2, which reads: "The new petitions for authorizations and the liquidation of already approved authorizations for the purchase of foreign exchange..." It shall read: "The new petitions for authorizations for the purchase of foreign exchange..." There was also an error in Article 3, which reads: "The JAC and the BCV shall be able..." It shall read: "The JAC shall be able..."

Decrees

Article 1: The authorizations to purchase foreign exchange to pay imports, the liquidation of which has not been passed on to the BCV by the time this decree is published, shall be liquidated as follows: 30 percent once the shipment arrives in the country, and the remaining amount in two equal payments 90 and 120 days after the shipment arrives in the country.

Article 2: The new petitions for authorizations for the purchase of foreign exchange destined to the payment of imports will be evaluated, and their processing shall have the relative urgency resulting from the implementation of the criteria that shall be established by a committee formed by members of the Finance, Development, and Agriculture and Livestock Ministries and the Foreign Trade Institute.

The Finance Ministry shall report these criteria to the JAC, which shall instruct the Exchange Administration Technical Office to take the necessary steps, following an analysis, to process the petitions for authorizations.

The exchange authorizations approved after the publication of this decree shall be liquidated according to the schedule defined in the previous article.

Article 3: The JAC shall be able to authorize liquidation schedules for exchange authorizations different to the one stipulated in this decree for the import of basic commodities, as well as raw materials used in the manufacturing of products, the prices of which are subjected to regulation by the executive branch.

Article 4: The sale of foreign exchange for imports amounting to less than $5,000, as well as those products imported through the Agreement on Reciprocal Payments and Credits of the Latin American Integration Association (Aladi), shall not be adversely affected by what is stipulated in this decree.

Article 5: The foreign exchange guidelines that contradict this decree shall be repealed.

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